



# COMMONWEALTH of VIRGINIA

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### MEMORANDUM

**TO:** Regional Directors

**FROM:**  John M. Daniel, Jr., P.E., DEE  
Director, Division of Air Program Coordination

**SUBJECT:** Memo Number 03-1001 - Nitrogen Oxides Budget Trading Program  
Permit Writer's Guidance

**DATE:** February 7, 2003

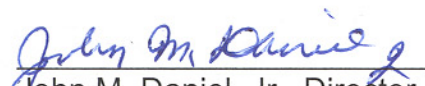
**Copies:** Bob Burnley, Air Permit Managers

**REFERENCES:** Code of Virginia, Applicable State and Federal Statutes and  
Regulations

The attached permit writer's guide was prepared by the staff of the Department of Environmental Quality, Air Division to aid air permitting staff in the Department's Regional Offices and prospective sources in carrying out permitting programs. The Guidelines interpret appropriate provisions of the Virginia Administrative Code (9 VAC 5-140-10 et seq.).

These Guidelines will be reviewed and updated periodically and by such staff as the Director of the Air Division assigns. Please provide all recommended changes to the Office of Air Permit Programs. The attached guidelines are final and effective as of the date of this transmittal.

APPROVED:

  
John M. Daniel, Jr., Director  
Air Division

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

**Division of Air Programs Coordination**

***Permit Writer's Guide to the  
NO<sub>x</sub> Budget Trading Program***

Issued  
February 7, 2003

Amended:  
October 28, 2003

Edited:  
November 4, 2003

Edited:  
March 24, 2004

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### **Introduction to the March 24, 2004 Edition**

In November 2003 a draft revision of the VAC regulations concerning the set-aside allowances was placed into public notice. This revision would allow for the auction of the set-aside allowances rather than to allot them. At this time plans or a schedule for the auction not been finalized. Where appropriate this auction has been added to the text of this guidance but this has not yet affected permitting issues. If necessary an amendment to this document may be added at a later date.

No significant technical or regulatory errors have been corrected in this version of the permit writer's guide. Changes are limited to minor corrections in typing and grammar.

### **Introduction to the November 4, 2003 Edition**

No significant technical or regulatory errors have been corrected in this version of the permit writer's guide. Changes are limited to minor corrections in typing and grammar.

### **Introduction to the October 28, 2003 Amendment**

No significant technical or regulatory errors have been corrected in this version of the permit writer's guide. The purpose of issuing this edition of the document is to include the latest updates to the permit boilerplate examples provided in the appendixes, as well as the rewriting of several paragraphs to improve clarity.

One example of this rewriting involves the definition of "fossil fuels" under the NO<sub>x</sub> Budget program and the limits it places on the units falling under the program.

### **Introduction to the August 8, 2003 Amendment**

The primary purpose of this amendment is to correct some minor technical errors that have been pointed out in the document. The most common correction involves the renaming of the operating permits. The operating permits previously referred to as the Title V and Acid Rain Operating Permits, have been renamed as the Article 1 Federal Operating Permit and Article 3 Federal Operating Permit respectively. State Operating Permits are now referred as Article 5 State Operating Permits.

~~Significant amendments since the June update are highlighted in blue font.~~

The appendixes have been updated to include the latest versions of the Article 3 Federal Operating Permit and State Operating Permit – NO<sub>x</sub> Budget Program.

At the time of this writing, the completion of the initial permitting and certification of the CEM systems are continuing on schedule.

### **Introduction to the June 9, 2003 Amendment**

Since the publication of this guidance document on Friday, February 7, 2003 the preparations for the start of the NO<sub>x</sub> Budget Trading Program have continued. At the time of this writing, deadlines for the submittal of permit application-related documents, and Continuous Emission Monitoring (CEM) System certifications have passed. Initial stack testing of the CEM systems has been performed, and provisionally certified



emission data is now being collected for the first quarterly report of the program due July 1, 2003.

As discussed in the body of this document this is a new regulatory program, both to Virginia and the USEPA. As preparations have continued the procedures that will be required to implement and then operate the NO<sub>x</sub> Budget Trading Program have continued to evolve.

Review of internet references and the attendance of VADEQ personnel to the "NO<sub>x</sub> SIP Call Implementation Workshop" presented by USEPA's CAMD have demonstrated several issues related to the NO<sub>x</sub> SIP Call that have been amended since the initial publication of this document. These include:

- The permitting conditions required for Low Mass Emission Units and 25-ton Exemption Units
- The handling and annual reporting requirements for 25-ton Exemption Units
- The procedures for submittal of a Petition to the Administrator
- Submission of electronic data and routine reporting to the state and federal agencies, etc.

~~For the reader's convenience paragraphs of this guidance that have been amended will be printed in blue font.~~ The Reference section of this guideline has been expanded to provide more information on the recent updates to the USEPA web pages involving the NO<sub>x</sub> Budget Trading Program.

In addition a new appendix has been added to the permit writer's guide. Appendix D will summarize for the permit writer and the compliance staff what activities and communications will be needed to operate the budget trading program after it comes into full effect on May 31, 2004.

For further information on the NO<sub>x</sub> Budget Trading Program please contact either of the following VADEQ personnel:

Frank Burbank  
804 - 698 - 4115

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## References

### Appendix A - Trading Account and Permitting Application Documents

- General Account Information form, OMB No. 2060-0445
- Account Certificate of Representation form, OMB No. 2060-0445
- NO<sub>x</sub> Budget Permit Application – DRAFT
- NO<sub>x</sub> Budget Retired Unit Exemption form

### Appendix B - VADEQ Support and Boilerplate Permit Documents

- NO<sub>x</sub> Allowance Budget Trading Program Implementation Schedule
- Initial Electric Generation Unit Allowance Allocations for Virginia (2004-2008)
- Initial Non-Electric Generation Unit Allowance Allocations for Virginia (2004-2008)

- VADEQ Guidance Memo 02-1006, Permit Application, September 6, 2002
- Boilerplate Letter - Notice to Owners of Affected Units on their Permit Application Responsibilities
- Boilerplate Letter – 10 and 60-day permit application notice
- Boilerplate – Article 3 Federal Operating Permit
- Boilerplate – Virginia Article 5 State Operating Permit, NO<sub>x</sub> Budget Trading Program

#### **Appendix C – Checklists and Notices**

- CEM Certification Application Review Checklist for the NO<sub>x</sub> Budget Trading Program
- Monitoring Plan Review Checklist for NO<sub>x</sub> Budget Trading Program
- USEPA CEM Certification Application Form OMB No. 2060-0258

#### **Appendix D – Routine Operations of the NO<sub>x</sub> Budget Trading Program**

Added on October 31, 2003

## Executive Summary

This purpose of this guideline is to set the VADEQ policy for handling permit applications as called for by *Nitrogen Oxides Budget Trading Program State Implementation Plan (NO<sub>x</sub> SIP Call)*. The USEPA made the final determination between 1998 and 2000 that sources in 19 states and the District of Columbia emitted NO<sub>x</sub> in amounts that significantly contribute to non-attainment of the ozone standard in one or more downwind states. Based on this determination the USEPA required that each of the affected upwind states submit revisions to their State Implementation Plans (40 CFR 96) prohibiting those amounts of NO<sub>x</sub> emissions that significantly contribute to downwind air quality problems. Virginia was included as one of the upwind states.

The rulemaking, known as the *NO<sub>x</sub> SIP Call Rule* (40 CFR 51.121), included statewide NO<sub>x</sub> emissions budget levels that each state must achieve by the year 2007. The rule also identifies specific source categories that are covered by the budget. These categories include electric generating units (EGUs) with a nameplate capacity greater than 25 MWe and non-electric generating fuel combustion units with a heat capacity above 250 mmBtu/hr. Failure to achieve the budget will result in a *Federal Implementation Plan*, which EPA has promulgated as 40 CFR Part 97 (65 FR 2727, January 18, 2000). Recent court action has revised the compliance deadline for initiation of the *NO<sub>x</sub> Budget Trading Program* to May 31, 2004.

The Virginia response to the *NO<sub>x</sub> SIP Call* was published in the Virginia Register on March 25, 2002. The final version of the regulation after public notice was issued in the Virginia Register on June 17, 2002. The regulations came into effect 30-days later on July 16, 2002. The trading program is listed in the Virginia Administrative Code under 9 VAC 5 Chapter 140. The approved total of NO<sub>x</sub> allowance allotments budgeted for Virginia was finalized and published on May 31, 2002. The USEPA conditionally approved the Virginia permit program in the Fall of 2002. The final approval from the USEPA is expected in late 2004.

As described in Chapter 140 (citations 9 VAC 5-140-200 to 250) all facilities matching the specific source categories (9 VAC 5-140-40) applicable to the *NO<sub>x</sub> SIP Call* must complete an application for a *NO<sub>x</sub> Trading Budget permit*. To insure meeting the May 31, 2004 compliance deadline, the Virginia Department of Environmental Quality (VADEQ) has set a November 1, 2002 date for receipt of initial permit applications for facilities in operation on that date. Permitting deadlines for receiving applications, CEM certifications, and issuing final permits for installations that began operation after November 2002 will be discussed later in this document.

As of May 1, 2003 permit applications for 42 separate facilities operating a total of 148 *NO<sub>x</sub> Budget Units* have been received. A current list of facilities and emission units that have registered for the trading program is available on the USEPA's Clean Air Market Internet site.

NO<sub>x</sub> emission monitoring must meet the requirements of 40 CFR 75. The process of certification of continuous emission monitoring (CEM) systems for operating sources is now underway. Full emission monitoring compliance by all operating sources with Part 75 will be required by May 31, 2004. Information on the certification of the CEM systems and the monitoring, and record keeping required for these CEM systems is provided in the Air Standard Operating Procedures (ASOP) 11, for "*The NO<sub>x</sub> Budget Trading Program*". This reference can be found on DEQNET2 at the following address: [air/air\\_compliance/ASOP\\_manuals](#).

As described in the "Permit Writer's Guide to Acid Rain Permitting" changes in processing of Title V and Title IV permit to operate applications are coming into affect. For Acid Rain sources, the Title V permit approval format has to be modified to reflect the Virginia Administrative Code (VAC) Article 3 Acid Rain (9 VAC 5-80-360 et seq.) references rather than the Article 1 Federally Enforceable Permit (9 VAC 5-80-10 et seq.) regulations. This has resulted in the development of a new "*Article 3 Federal Operating Permit*" (*Article 3 FOP*) document. A copy of the boilerplate developed for this new permit is provided in Appendix B of this guidance.

**NOTE:** The term *NO<sub>x</sub> Budget Permit* is something of a misnomer. As described in this document, for Acid Rain defined facilities the *NO<sub>x</sub> Budget Permit* will become a set of conditions within with the body of the new *Article 3 FOP* format (9 VAC 5-140-200). For non-EGU facilities that will be required to enter the NO<sub>x</sub> trading program, the *NO<sub>x</sub> Budget Permit* will become a section within their *State Operating Permit (SOP)* or *Article 1 FOP* documentation. While the document will not generally be issued as a stand-alone permit, this guideline will follow the lead of the Federal and State regulations and refer to these "operating conditions" as a "permit".

The format of this guidebook is designed to assist the VADEQ regional permit writer. The order of the subjects discussed within this document will not necessary follow the order of either the VAC or the CFR citations. The procedural steps have been arranged in the order than they need to be completed for permitting during the initial stages of the new program or for future installations. This document will define what air emissions sources are covered by these regulations, what permit application documents are required, and how these documents are to be handled by the regional offices of the VADEQ.

The USEPA Region III has requested to be kept informed of our progress in implementing this program. Copies of all letters and permit documents issued by the regional office should be provided to USEPA Region III. The contact person for these documents will be:

Renee McLaughlin, USEPA Region III ,1650 Arch Street, Philadelphia, PA 19103-2029, 215-814-2137, [mclaughlin.renee@epa.gov](mailto:mclaughlin.renee@epa.gov)

The Clean Air Market Division (CAMD) is the primary group within the USEPA involved with the development and upcoming operation of the *NOx Budget Trading Program*. If further information is required, the contact for CAMD will be:

Mary Shellabarger, USEPA Headquarters, 1200 Pennsylvania Avenue, N.W.,  
Washington DC 20460, 202-564-9188, [shellabarger.mary@epa.gov](mailto:shellabarger.mary@epa.gov)

In addition to the Federal and State regulations, other references used in the creation of this guideline included the USEPA NO<sub>x</sub> SIP Call Policy Manual (updated May 2003). The latest copy of this USEPA policy, permit applications forms and many other references can be found on the USEPA Clean Air Market Program web site. A list of internet addresses for the CAMD web site is provided at the end of this document.

## 1.0 Introduction to the NO<sub>x</sub> Budget Trading Program

### 1.1 Purpose of the NO<sub>x</sub> Budget Trading Program

1.1.1 In summary, the *NO<sub>x</sub> Budget Trading Program* was developed to cap and then reduce the amount of nitrogen oxides emitted in the geographical regions that fall under the program's jurisdiction. The Federal government's call for State Implementation Plans (40 CFR 51.121) included:

- statewide NO<sub>x</sub> emission levels that must be achieved by 2007,
- a description of the budget units that would be affected under the program,
- and proposals for meeting the emission level goals.

1.1.2 For Virginia a total of 32 electrical generating facilities and non-electrical generating facilities were determined to meet the criteria, and were included in the initial list of *NO<sub>x</sub> Budget Sources* (May 2002). These lists are provided in Appendix B. All of the facilities listed were in operation by May 1998. All equipment or facilities placed into operation after this date are to be considered "*New Units or New Sources*".

1.1.3 In total, 85 *NO<sub>x</sub> Budget Units* are located on these initial sites. Based on the emission characteristics of these original units a state NO<sub>x</sub> emission cap was negotiated between Virginia and the USEPA. Virginia has been assigned an initial allowance allocation of 21,195 tons of NO<sub>x</sub> per *NO<sub>x</sub> Control Period* between the years 2004 and 2008. As allowed by federal regulation, Virginia took the option to set aside a percentage of its emission cap to allow for new economic growth. Of the 21,195-ton cap, 1,855 tons have been provided as "*set-asides*" for *New Sources*.

**NOTE:** In November 2003 it was decided to alter the Virginia regulations regarding the set-aside NO<sub>x</sub> allowances. The set-aside allowances will now be auctioned to any permitted NO<sub>x</sub> Budget Source rather than be issued to *New Sources* alone. As of **March 2004** the date of the initial auction, or the procedures to be followed have not been developed.

1.1.4 Under the *NO<sub>x</sub> SIP Call*, the affected states are given several options on how they will enforce their emission caps. One of the methods proposed by the USEPA was a budget-trading program. A model of this budget-trading program was provided by the USEPA in 40 CFR 96. Virginia decided to adopt this technique to control and then reduce its NO<sub>x</sub> emissions.

1.1.5 Virginia's regulations covering this subject (9 VAC 5-140-10 et seq.) were based on the federal regulation provided by 40 CFR 96. Virginia's response to the NO<sub>x</sub> SIP Call for a NO<sub>x</sub> allowance-trading program has come into affect (July 17, 2002). The first effective *NO<sub>x</sub> Control Period* for Virginia will begin on May 31, 2004.

1.1.6 The NO<sub>x</sub> emission-trading program was chosen since it provides an economic incentive to existing facilities to reduce their NO<sub>x</sub> emissions and to provide for construction of new facilities without increasing the total amount of pollutants emitted during the year. While Title IV Acid Rain permitting is primarily limited to electrical generation units (*EGUs*), the NO<sub>x</sub> trading program can include other large fossil fuel combustion sources (*non-EGUs*).

1.1.7 Continuous monitoring of NO<sub>x</sub> emissions is required by the allowance-trading portion of the program. This hour by hour NO<sub>x</sub> emission data (in lbs/hr) is used to determine the amount of NO<sub>x</sub> emitted by each *NO<sub>x</sub> Budget Unit* during each *NO<sub>x</sub> Control Period* (measured in tons). The *NO<sub>x</sub> Control Periods* will run from May 1 through September 30 of each calendar year. The exception will be for the first control period in the year 2004, which has been delayed and will start on May 31<sup>st</sup>. This *NO<sub>x</sub> Control Period* represents the seasons in which NO<sub>x</sub> emissions have the most impact on the environment and human health. Under the *NO<sub>x</sub> Allowance Budget Trading Program*, the units and sources must own at the end of each *NO<sub>x</sub> Control Period* at minimum a number of allowances equal to the number of tons of NO<sub>x</sub> that they emitted (refer to Section 1.5).

1.1.8 The USEPA has set up and will operate the NO<sub>x</sub> allowance-trading accounting system. Individual states have been given the responsibility to supervise the permitting programs within their jurisdictions. The VADEQ will also be responsible for certifying and auditing the continuous emission monitoring systems (CEMs) required by the majority of *NO<sub>x</sub> Budget Sources*. The tasks required for this portion of the program are detailed in ASOP-11.

## **1.2 Definition of NO<sub>x</sub> Budget Units and Sources**

1.2.1 The air emission sources regulated by NO<sub>x</sub> SIP Call program are limited to large fuel combustion sources, generally electric generation facilities. There are two basic definitions on which the regulations are centered. These are “*NO<sub>x</sub> Budget Units*” and “*NO<sub>x</sub> Budget Source*”.

1.2.3 An “*NO<sub>x</sub> Budget Unit*” is a single piece of fuel combustion equipment, subject to the *NO<sub>x</sub> Allowance Budget Trading Program* (9 VAC 5-140-40). These units are subject to “emission limitations” under 9 VAC 5-140-40 and/or 9 VAC 5-140-800.

1.2.4 An “*NO<sub>x</sub> Budget Source*” is the term used for the site or facility that has one or more *NO<sub>x</sub> Budget Units* operating on it (9 VAC 5-140-20). The term “facility” is generally not used in the *NO<sub>x</sub> Budget Trading Program*.

1.2.5 For an air emission source to be considered a *NO<sub>x</sub> Budget Unit* the equipment will match one of the following requirements or descriptions (9 VAC 5-140-40 A):

- Fossil Fuel fired Electrical generation units with a maximum capacity of 25 MWe or more and which produced or is producing electricity for sale. For units in



operation before January 1, 1999 this electricity must have been sold under contract to a utility grid only. For units put into operation since January 1, 1999 the electricity can be sold to third parties as well as to the utility grid.

- Fossil Fuel combustion equipment in operation before January 1, 1999 with a maximum heat input design of over 250 mmBTU/hr and did not generate electricity for sale.
- Fossil Fuel combustion equipment that commences operations after January 1, 1999 must have a maximum heat input design of over 250 MMBTU/hr. It may not support a generator producing electricity for sale, or supports a generator producing electricity for sale that will have a maximum capacity of less than 25 MWe and utilizes only 50% or less of this capacity.

Please refer to the quoted VAC citation for full details on all of the requirements of *NO<sub>x</sub> Budget Units*.

1.2.6 As defined in 9 VAC 5-140-20 all *NO<sub>x</sub> Budget Units* under the *NO<sub>x</sub> SIP Call* will be “fossil fuel-fired units”. Fossil fuel as defined in Chapter 140 includes: natural gas, petroleum, coal, and any refined fuel based on one of these products. As per 9 VAC 5-140-20 a fossil fuel-fired unit will derive at least 50% of its annual BTU consumption from a fossil fuel. Fuel combustion sources that operate primarily on wood or solid, liquid or gaseous waste materials will not be considered *NO<sub>x</sub> Budget Units*.

1.2.7 The definition of the term “commences operations” is provided for in 9 VAC 5-140-20. For the facilities affected by the *NO<sub>x</sub> SIP Call* the official date for commencing operations will be the very first day the unit burns fuel. This date does not have to fall within a *NO<sub>x</sub> Control Period*. Unlike some other air quality programs, an initial shakedown period is not taken into account. All *NO<sub>x</sub>* emissions from a permitted *NO<sub>x</sub> Budget Unit* must be accounted for. This will include the air emissions during the “fine tuning” of the emission source as it is first brought on line.

1.2.8 Relatively few if any sources in Virginia will produce electricity entirely for their own use. Facilities falling under the *NO<sub>x</sub> SIP Call* in Virginia will primarily be utility “base-load” or “peaker” electrical generation stations or very large boilers and furnaces located on industrial sites. It is important to remember that the definitions of *NO<sub>x</sub> Budget Units* are based on the maximum capacities of the units {measured in either megawatts (MWe) or million BTU per hour (mmBTU/hr)}, not the routine capacity that they may be normally operated at.

1.2.9 Several citations within Chapter 140 include separate references for *units with emission limitations*, and *units without emission limitations*. As defined in the regulation (9 VAC 5-140-20); a *NO<sub>x</sub> Budget emission limitation* is the tonnage of *NO<sub>x</sub>* allowances available for compliance deduction for the individual unit under 9 VAC 5-140-540 A to F. Virginia assigns these allowances annually after the submission of an allowance request by the sources. *All **NO<sub>x</sub> Budget Units in Virginia will be considered to be units “with” emission limitations***. If any fuel combustion unit decides to “opt-in” to the *NO<sub>x</sub>*

trading program may be considered units without emission limitations. Whether an opt-in source will be assigned annual allowances will be decided on a case-by-case basis.

### 1.3 Low Mass Emission Units

1.3.1 The majority of emission sources falling under the *NO<sub>x</sub> Budget Program* will be required to install CEM systems. One class of *NO<sub>x</sub> Budget Unit* that is allowed to utilize optional methods to calculate annual and control period emissions is the “*Low Mass Emission (LME) Units*”. For the *NO<sub>x</sub> Allowance Budget Trading Program* a *LME Unit* is one that releases between 25 and 50 tons of *NO<sub>x</sub>* emissions during the *NO<sub>x</sub> Control Period* and less than 100 tpy (as measured from October 1 through September 30)(40 CFR 75.19). The *LME Unit* also must be limited to only burning distilled fuel oils and/or natural gas. Sources burning coal can not be defined as a *LME Unit* regardless of the operational limits taken to restrict their *NO<sub>x</sub>* emissions.

*Note: The USEPA rewrote the definition of a LME Unit in July 2002. This redefinition greatly affects how both LME Units and 25-ton Exempted Units will be handled by the VADEQ. Please refer to editions of 40 CFR 75.19 dated August 2002 or later. This edition of the CFR can be downloaded from the following address:*

[http://www.access.gpo.gov/nara/cfr/cfrhtml\\_00/Title\\_40/40cfr75\\_00.html](http://www.access.gpo.gov/nara/cfr/cfrhtml_00/Title_40/40cfr75_00.html)

*Chapter 140 of the VAC was based on an earlier edition of the CFR. Under 9 VAC 5-140-40, the LME Unit and the 25-ton Exempted Unit have the same Control Permit emission limitation of 25 tons. As can be expected, this causes confusion in what regulatory citations apply to either unit. This regulatory error will be corrected in future editions. In the mean time, this document will set the precedence on permitting these types of units in Virginia.*

1.3.2 This low *NO<sub>x</sub>* Control Period emission rate for LMEs is due to artificial limits on the equipment's operating schedule, fuel usage, or heat input. All of the limitations placed on the LME must be included in the federally enforceable permit.

1.3.3 Full CEM monitoring systems will not be required for LME Units. The “optional procedures” for calculating *LME* emissions are included in 40 CFR 75.19. To show their compliance to permit restrictions *LME Units* will record their hours of operations and heat input or fuel usage data as needed. These records will be kept for a period of five years previous to the current date. The emission data for the *LME Units* are not required to be included in the Quarterly emission reports. Each November 1, the hours of operations and the fuel usage or heat input for the *LME Units* will be included in the *Annual Compliance Report* to the USEPA (9 VAC 5-140-40 B.4.c, d, and e).

1.3.4 The *LME Unit* will lose its exemption on any of the following dates (9 VAC 5-140-40 B.4.f):

- the date it exceeds its operational limitations,
- the date it fails to properly record its compliance to its operational limitations,

- the date the facility otherwise loses its federally enforceable permit containing the operational limitations.

1.3.5 If due to increases in their operating schedule or other factors a *LME Unit* begins to emit NO<sub>x</sub> during the *NO<sub>x</sub> Control Period* at a rate above 50 tons per season, they will lose their *LME* status effective immediately. The unit will have to be added to the facility's trading accounts. The facility will then have two calendar quarters to install and certify a complete CEM system. The emission source will not be able to reapply for *LME* status for the unit for three years after the loss of the exemption.

1.3.6 As per 40 CFR 75.19, an initial and annual demonstration is required to show that the unit is a *LME unit*. The initial demonstration can be NO<sub>x</sub> emissions for the past three calendar years using actual data (CEMS), calculated emissions for the past three calendar years using heat flow rates and emission factors listed in standard references, or a combination of actual and calculated data. For new emission units without historical records, estimated emission projections for the next three calendar years can be estimated using techniques pre-approved by the VADEQ. The annual demonstration will be a summary of the previous fiscal year's operational records (October 1 through September 30) demonstrating compliance, and will be included in the annual compliance report due each November 1<sup>st</sup> (9 VAC 5-140-740).

#### **1.4 NO<sub>x</sub> Budget Unit Exemptions**

1.4.1 There are two exemptions allowed for in the *NO<sub>x</sub> Trading Program*, *restricted 25-ton Exempted Units* and *Retired Unit Exemptions*. The term *25-ton Exempted Unit* refers to fuel combustion sources that would normally meet the definition of a *NO<sub>x</sub> Budget Unit*. These units can be exempted if they agree to restrict their *NO<sub>x</sub> Control Period* emissions to 25 tons and their annual emissions to under 50 tpy (9 VAC 5-140-40 B.1)(40 CFR 96.4). The owner can voluntarily further reduce the maximum *NO<sub>x</sub> Control Period* emission the unit will be allowed to a value below 25-tons. Once this reduced emissions cap value is agreed upon, it will become an enforceable permit limit.

1.4.2 The *25-ton Exempted Unit* must be limited to burning fuel oil or natural gas. Sources burning coal can not be exempted from the budget-trading program regardless of their *NO<sub>x</sub> Control Period* emission rates.

1.4.3 This low NO<sub>x</sub> emission rate will be based on an artificial limit on the unit's operating schedule. The number of hours the unit will be allowed to operate will be determined by dividing 25 tons (or a lower value chosen by the owner) by the unit's maximum potential hourly NO<sub>x</sub> mass emission rate. The emission rate will be based on standard emission estimation techniques (such as provided by AP-42) and pre-approved by the VADEQ. The estimation technique will be included in the certification protocol and operating manual developed for the facility.

1.4.4 These restrictions will be included as part of a federally enforceable permit for the facility. The facility will maintain a record of the hours of their operations during the *NO<sub>x</sub>*

*Control Period* for at least the previous five years. This information will be reported to the USEPA as part of the annual compliance report due on November 1<sup>st</sup> (9 VAC 5-140-40 B.4). The emissions of these units will not be included in the quarterly reports.

1.4.5 The unit will lose its 25-ton exemption on any of the following dates (9 VAC 5-140-40 B.4.f):

- the date it exceeds its operational limitations,
- the date it fails to properly record its compliance to its operational limitations,
- the date the facility otherwise loses its federally enforceable permit containing the operational limitations

1.4.6 If a *25-ton Exemption Unit* loses its exemption then the owner must add the unit to the facility's *NO<sub>x</sub> Budget Trading permit* and its trading accounts. The facility will have two calendar quarters to develop a VADEQ certified monitoring system (either a CEM system or LME optional procedure) for the unit.

1.4.7 A standard *NO<sub>x</sub> Budget Trading* account will not be opened for these units. In the annual compliance report due in November, the owner will demonstrate the unit's compliance with its exemption by providing the number of hours it operated during the Control Period and the remainder of the year. The VADEQ is expected to confirm this information if necessary. When shown that the unit operated within its limitations, the pre-approved number of NO<sub>x</sub> Allowances assigned to the emission source (25-tons or less) will be withdrawn from the source's General Account.

1.4.8 The term "*Retired Unit Exemption*" is applied to permitted NO<sub>x</sub> Budget Units with trading accounts that have been permanently shut down and will not emit any further NO<sub>x</sub> into the atmosphere (9 VAC 5-140-50 B). Units that are permanently shut down at the time the facility applies for its initial *NO<sub>x</sub> Budget Permit* are not required to submit a retired unit application form.

1.4.9 Units that are still operating during a *NO<sub>x</sub> Control Period* prior to receiving their retirement exemption will still need to be included in the facility's USEPA trading accounts for that year. The facility will maintain the necessary allowances to allow the unit to have produced emissions up to the date it halted operations (9 VAC 5-140-50 B.2). The exemption will come into effect on the date the exemption is issued. The unit will be removed from the trading account during the next control period. All other federally enforceable permits will be amended immediately to include the retirement. (9 VAC 5-140-50 B.3).

1.4.10 Records will be maintained for the previous five years by the owner that will show that the unit has not emitted any NO<sub>x</sub> (9 VAC 5-140-50 C.5). Record keeping can stop after five years for *Retired Units* that have been physically removed from the site.

1.4.11 If a *Retired Unit* is to be restarted, a NO<sub>x</sub> trading budget permit application must be submitted 18-months prior to resumption of operations (9 VAC 5-140-50 C.2). A *Retired Unit* can not be used as an "opt-in" source (9 VAC 5-140-50 C.4).

## 1.5 “Opt-In” Units

1.5.1 Because the *NO<sub>x</sub> Allowance Budget Trading Program* uses economic incentives to induce facilities to reduce their emissions it has been decided to allow units not required to enroll in the trading program, to “volunteer” for it (9 VAC 5-140-800). These units are known as *Opt-In Units*.

1.5.2 An *Opt-In Unit* will be a fossil fuel-firing combustion source that is powering an electrical generator with a maximum capacity less than 25 MWe, or has a maximum design heat capacity of less than 250 MMBTU/hr. Combustion units with larger generating or heat capacities but burning wood, waste or other fuels not considered fossil fuels may be allowed to enter the program as an *Opt-In Unit*. The VADEQ has been given the authority to issue or deny *Opt-In Unit* applications after we have reviewed their proposed operations and monitoring plan.

1.5.3 Combustion units that meet these capacity limitations but will emit less than 25-tons of NO<sub>x</sub> during the Control Period will not be allowed to enter the program as an *Opt-In Unit*. *Retired NO<sub>x</sub> Budget Units* and other fuel combustion equipment that is not routinely operated will also not be allowed to enter the program. The application process for *Opt-In Unit* status is described in 9 VAC 5-140-810 to 9 VAC 5-140-880.

## 1.6 Standard Unit Permitting Requirements

1.6.1 The *NO<sub>x</sub> Allowance Budget Trading program* includes a list of standard permit conditions for *NO<sub>x</sub> Budget Units* and *Sources* (9 VAC 5-140-60). Some of the more important requirements are:

- a. The source must have a federally enforceable operating permit. All operational limitations and compliance requirements of the *NO<sub>x</sub> Budget Units* must be included in this document. (9 VAC 5-140-60 A.1)
- b. The source must have all of the required NO<sub>x</sub> Trading Accounts with the USEPA, and have registered an *Authorized Account Representative* to handle these accounts.
- c. The facility must have enough NO<sub>x</sub> allowances available in its accounts to at least equal the *NO<sub>x</sub> Control Period* air emissions calculated for the units for that year. (9 VAC 5-140-60 C.1)
- d. NO<sub>x</sub> allowances can not be used to meet compliance needs for the year(s) prior to the year the allowance was allotted. (9 VAC 5-140-60 C.5)
- e. The allotment of NO<sub>x</sub> allowances is not a “property right” of the facility (9 VAC 5-140-60 C.6 and C.7). Both the USEPA and the VADEQ have the authority to terminate or limit the allotment of NO<sub>x</sub> allowances to a facility.
- f. All facilities will have CEM Certification Applications and Compliance Monitoring Plans certified by the VADEQ. (9 VAC 5-140-60 E)
- g. Recordkeeping of emission monitoring results will be kept between 3 and 5 years. (9 VAC 5-140-60 E)

## 1.7 Permitting Schedules

1.7.1 *NO<sub>x</sub> Budget Trading Program* permit applications and applications to modify existing permits are due at least 18-months prior to the scheduled date for start up of the equipment (9 VAC 5-140-210 B). As described in greater detail later in this document, *NO<sub>x</sub> Budget Permits* do not have an expiration date and are not renewed as an independent permit.

1.7.2 This guidance document is being developed as the trading program is initially coming into effect. A preliminary schedule of events for the implementation of the *NO<sub>x</sub> SIP Call* (for the period from 4/2002 through 4/2006) has been provided in Appendix B. Due to the deadlines that must be met to bring the program into line facilities affected by the *NO<sub>x</sub> Budget Trading Program* have been divided into three groups. These groups are:

- Group 1 - Facilities that are operating prior to October 31, 2002
- Group 2 - Facilities that will commence operations between November 1, 2002 and May 31, 2004
- Group 3 - Facilities that will commence operations after May 31, 2004.

Each group will have its own individual schedule for completion of their permitting and emission monitoring certification requirements.

1.7.3 Permit applications for Group 1 *NO<sub>x</sub> Budget Sources* in operation by October 31, 2002 were due no later than November 1, 2002. This will provide for an 18-month period until the start of the first enforced *NO<sub>x</sub> Control Period*. All permit approvals produced during for Group 1 sources will have an effective date of May 31, 2004.

1.7.4 For Group 2 and 3 *NO<sub>x</sub> Budget Permits*, the effective date of the permit will be:

- May 1 of the year the unit begins operations if the unit commences operations prior to this date (except for the year 2004).
- The actual date that the unit commences operations if the unit commences operations during the *NO<sub>x</sub> Control Period*.
- May 1 of the year after the start of operations if the unit commences operations after the end of the *NO<sub>x</sub> Control Period* (September 30)(9 VAC 5-140-240).

1.7.5 The effective date of the *NO<sub>x</sub> Budget Permit* should not be confused with the operating permit's effective and expiration dates. The *Article 3 Federal Operating Permit (FOP)* that incorporates the *NO<sub>x</sub> Budget Trading Program* will have a preset effective date of January 1 and an expiration date of December 31 up to five years later. For *non-EGU* facilities that will not require a Title IV (Acid Rain) related permit, the effective and expiration dates of the existing *Article 1 FOP* or *Article 5 State Operating Permit (SOP)* will not be altered with the addition of the *NO<sub>x</sub> Budget Trading Program* conditions.

## 1.8 CEM Certification Application and Monitoring Compliance Plans

1.8.1 A means to accurately measure NO<sub>x</sub> hourly emissions so that annual and *NO<sub>x</sub> Control Period* NO<sub>x</sub> emissions can be reported is a requirement for all *NO<sub>x</sub> Budget Units and Sources*. The primary method for the majority of *NO<sub>x</sub> Budget Units* will be Continuous Emission Monitoring (CEM) systems to measure NO<sub>x</sub> concentrations/mass and stack heat inputs or gas flow rates. Alternative methods can include the use of specific or generic NO<sub>x</sub> emission factors and the unit's operational schedule to estimate this information. Complete detail on the technical aspects of emission monitoring for the trading program is provided in 40 CFR 75. Descriptions of how the VADEQ plans to insure the compliance of the emission monitoring with these regulations is provided in ASOP-11.

1.8.2 Certification of the approved monitoring system must be completed prior to the issuing of the *NO<sub>x</sub> Budget Trading Program* permit. Whatever method of emission determination is chosen the following requirements apply:

- The procedures must be certified and approved by the VADEQ prior to the testing
- a CEM certification protocol is to be submitted to both the VADEQ and USEPA
- a monitoring plan to include QA/QC procedures is to be submitted to both agencies
- and certification testing (stack testing) performed (when applicable)

1.8.3 Further detail on the scheduling of the completion of these documents for Group 1, 2, and 3 sources will be provided later in this guideline. Further information on the requirements of these documents and how they are to be submitted to the various agencies is provided in ASOP-11.

## **2.0 Permit Application Documents**

### **2.1 Application Requirements**

2.1.1 The application process for the *NO<sub>x</sub> Budget Trading Program* is straightforward. This process can be divided into four steps:

1. Applying for, or already holding a VADEQ approved federally enforceable operating permit
2. Opening an USEPA NO<sub>x</sub> allowance trading account
3. Applying for a *NO<sub>x</sub> Budget Trading* permit
4. Certification of the emission monitoring equipment or optional monitoring procedures.

2.1.2 As mentioned (and described in Section 3.4) the final *NO<sub>x</sub> Budget Permit* will not be a stand-alone document. It will be attached as a set of conditions to either an *Article 1 FOP*, *Article 3 FOP*, or an *Article 5 SOP*. Therefore in addition to the application forms we will discuss in this document, all of the other Virginia or USEPA required applications normally needed for a facility (Forms 7 and 805, Phase II applications, etc.) have to be submitted and approved by the Regional Offices. The completion of these other forms is not affected by the addition of the NO<sub>x</sub> Budget Trading Program. Therefore the permitting procedures described in other available VADEQ guidance manuals will not be repeated here.

2.1.3 The VADEQ has adopted the USEPA's application forms for the *NO<sub>x</sub> Budget Trading Program*. Copies of these documents and their completion instructions have been included in Appendix A. Electronic copies of these forms can be found at the following USEPA Internet address:

<http://www.epa.gov/airmarkt/forms/index.html>

### **2.2 General Account Information Form**

2.2.1 As stated within the body of the *General Account Information form* (OMB NO. 2060-0445); "This form is required to establish a general account in the NO<sub>x</sub> Allowance Tracking System (NATS) and should be submitted to EPA by any person, company, or organization wishing to open such an account for the purpose of holding and transferring allowances..." An example of this form is included in Appendix A.

2.2.2 This application is to be completed by all facilities meeting the definition of a *NO<sub>x</sub> Budget Source* in the State of Virginia. The application will also be completed by sources that have decided to "opt-in" to the *NO<sub>x</sub> Budget Trading Program*. Facilities that only have units that can be exempted from trading (as non-operational *Retired Units*) do not need to open a trading account and do not have to complete this or any other document.



2.2.3 The *General Account Information form* is used both for the initial opening of new allowance trading accounts and for modifications to existing permitted *NO<sub>x</sub> Budget Sources*. In general, modifications that will require using this form will consist of changes in account representatives for the facility or the name of the company. If changes in operations result in units being shut down, or altered to the point where they no longer meet the definition of an *NO<sub>x</sub> Budget Unit*, then the *NO<sub>x</sub> Budget Retired Unit Exemption form* is used (see Section 2.5).

2.2.4 The *General Account Information form* is to be submitted at the same time as the *Account Certificate of Representation form* and the permit application for new *NO<sub>x</sub> Budget Sources*. This will generally be 18-months prior to the start of operations at the facility. For Group 1 sources this application was due by November 1, 2002. This time period can be reduced at the discretion of the permit writer.

2.2.5 Completion of the form is straightforward. For new accounts, mark the “New” submittal box at the top of the page. For new submittals the NATS Account Number, AAR (Authorized Account Representative) ID Number, and “Name of Account” boxes will remain blank. This information will be provided later by CAMD. Complete the remainder of the first page by supplying:

- the name and contact information for the authorized account representative.
- the name of the alternate authorized account representative (if applicable)
- the mailing address of the facility
- and the names of the owner’s representative(s) who are authorizing the opening of this account.

Completion of the information in **Step 5** on page 2 of the *General Account Information form* is optional.

2.2.6 After completion of the form, the account representative and their alternate will sign and date the document in **Step 6**. The mailing address for submittal of the form is provided. The account will be opened within 2 to 3 business days after receipt of the document by the USEPA. At that time, the USEPA will provide the NATS Account and AAR ID numbers. While not required by Virginia regulation, a copy of this application should be provided to the appropriate VADEQ regional office by the owner at the time of submittal.

2.2.7 The trading account will be revised using this form when there is a change in responsible personnel, or in the name and/or address of the company itself. Completion of the form will be the same, except that the “Revised” box will be checked, and the existing Company Name, NATS Account, and AAR ID numbers will be provided. During the operating permit renewal process there is normally no need to resubmit this application to either the USEPA or VADEQ.

2.2.8 Closing of the General Accounts is discussed in 9 VAC 5-140-560. At this time there is no “official” form in place for permanently closing a *NO<sub>x</sub> Allowance Trading Account* once it has been created. The AAR will submit a statement to the CAMD unit of the USEPA to request the deletion of the account from the *NO<sub>x</sub> Budget Trading Program*. The AAR should contact the VADEQ regional offices at the same time to inform them of this change.

2.2.9 The USEPA reserves the right to close a *NO<sub>x</sub> Allowance Trading Account* if there has been no activity after one year, and there are no allowances in the account. The CAMD will issue a notice to the facility of their decision to close the account. The facility’s AAR has 20-days to respond to the CAMD notice if they disagree with the decision to close the account. The VADEQ has no responsibilities or authority on this subject.

### **2.3. Account Certificate of Representation**

2.3.1 For a facility to be granted a *NO<sub>x</sub> Allowance Trading Account*, the facility must choose an “*Authorized Account Representative*”. The requirements and responsibilities of the *Authorized Account Representatives* are provided in 9 VAC 5-140-100 through 9 VAC 5-140-140. A copy of the *Account Certificate of Representation application form* is provided in Appendix A.

2.3.2 The *Representative* and their *Alternate* (if applicable) must be “natural” persons. The name of a company, or a job title will not be accepted. The *Authorized Account Representative* is the person legally responsible for maintaining the compliance of the facility with the *NO<sub>x</sub> Allowance Budget Trading* program. While there is no set guidance on who can be named the *Representative*, the individual(s) named should fully understand the operation of the *NO<sub>x</sub> Budget Units* located on his/her site, and have the authority to make decisions affecting these operations.

2.3.3 After completion of the Certificate of Representation form, the original of the document is to be sent by the *Authorized Account Representative* directly to the USEPA’s CAMD location. The address for this office is provided on the form’s instruction sheet. While not required by regulation, a copy of this document should be provided by the owner to the VADEQ Regional Office responsible for the facility at the time of its submittal.

2.3.4 The VADEQ has no need to formally respond to this document. However, it is the responsibility of the Regional Office to confirm that the *Representative* information, facility Identification, and *NO<sub>x</sub> Budget Unit* identifications listed in this document match the information provided in other *NO<sub>x</sub> Budget Trading* applications, the information provided in the CAMDs databases, and any other related permitting documentation.

2.3.5 There is no expiration date for the Account Certificate of Representation form. It is valid as long as all of the information included on the form remains unchanged. If a new *Representative* has to be named, or if there is any change in the number of *NO<sub>x</sub>*

*Budget Units* or their ownership, a new *Account Certificate of Representation* form must be submitted as soon as possible to maintain compliance.

2.3.6 Instructions for completion of the *Account Certificate of Representation* are provided with the form. For a new account, the AAR ID blocks for the representative and the alternate will be left blank. The owner/operator will Xerox as many copies of the first page of the application as necessary to include all of the *NO<sub>x</sub> Budget Units* present on the site. Retired and exempted units do not have to be included on this form if they are meeting all of their emission limitations on the date of this submittal. More information on handling these units during permitting is provided in Section 2.6.

2.3.7 All facilities under the *NO<sub>x</sub> Budget Trading Program* must have an ORIS Code (for EGUs) or a FACILITY Code (for non-EGUs) supplied by the Energy Information Administration (EIA). To receive an ORIS / FACILITY code, the owner/operator will go to the Energy Information Administration's home page at: <http://www.eia.doe.gov/>. The owner will download the form and instructions for Form EIA-860, "Annual Electric Generator Report". After completing the form as instructed they will send it by mail, FAX or email to the address provided. For any further questions regarding this document please contact the EIA help telephone number that is provided at this web site. The ORIS / FACILITY code for the facility should be provided (if available) at the time of the permit application.

## **2.4 NO<sub>x</sub> Allowance Budget Trading Permit Application**

2.4.1 There is relatively little information to be filled out by the applicant in the *NO<sub>x</sub> Allowance Budget Trading Permit Application*. The majority of the document is a description of the federal standards and liabilities that the *NO<sub>x</sub> Budget Source's* owner will have to meet after the permit has been approved. These requirements include monitoring, record keeping, and maintaining enough emission allowances to allow the facility to continue operations. The VADEQ has adopted these requirements as permit conditions. The VAC citations covering these federal requirements are found within 9 VAC 5-140-60.

2.4.2 In addition to permitting of new *NO<sub>x</sub> Budget Sources*, this same form is used for permit renewals and modifications to existing permitted *Sources*. In general modifications consist of the addition of new *NO<sub>x</sub> Budget Unit(s)* to the plant site. Changes in equipment and operations that reduce emissions are not considered modifications. If changes in operations result in units being shut down, or altered to the point where they do not any longer meet the definition of an *NO<sub>x</sub> Budget Unit*, then the *NO<sub>x</sub> Retired Unit Exemption form* is used (see Section 2.5). The removal of these units does not have to be noted on a "revised permit application" until the facility's air quality operating permit is due for renewal.

2.4.3 Permit applications for new *NO<sub>x</sub> Budget Sources* are to be submitted to the VADEQ 18-months prior to scheduled date to commence operations. When new

*affected units* are to be added to a permitted *NO<sub>x</sub> Budget Source* a “revised” permit application is to be submitted 18-months prior to the start up of the new equipment. The lead times required by the regulations can be altered at the discretion of the permit writer on a case-by-case basis.

2.4.4 A “draft” *NO<sub>x</sub> Budget Permit Application* produced by the USEPA and adopted by the VADEQ is provided in Appendix A. The *NO<sub>x</sub> Budget Permit Application* is to be submitted to the VADEQ Regional Office in charge of the facility. Information required by the form is the facility’s name, ORIS / FACILITY ID number, and a list of the *NO<sub>x</sub> Budget Units* present on site. The form is to be signed by the *Authorized Account Representative*. During the installation of new facilities, the form can be signed and submitted at the same time the trading account applications are being completed. As seen on the permit application, the AAR ID code is not required.

2.4.5 During the writing of this guidance (Fall 2002) when the *NO<sub>x</sub> Allowance Budget Trading Program* is being initiated, all *NO<sub>x</sub> Allowance Budget Trading* permits issued to Group 1 and 2 sources before the end of Spring 2004, will have an “effective date” of May 31, 2004. Later on as new emission units are installed (Group 3 sources), the effective date of the permit will be based on the following criteria:

- May 1<sup>st</sup> of the current year if the unit commences operations prior to the start of the *NO<sub>x</sub> Control Period*.
- The date the unit commences operations if this date is during the *NO<sub>x</sub> Control Period* (May 1 through September 30)
- May 1<sup>st</sup> of the year following the commencement of operations, if that date is after the end of the *NO<sub>x</sub> Control Period*

2.4.6 The *NO<sub>x</sub> Budget Permit* will not be issued as a stand alone permit document. The permit will be incorporated into existing or new federally enforceable operating permit for the facility as a set of conditions. There is no set expiration date for a *NO<sub>x</sub> Budget permit*. It will be renewed when the operating permit is normally due. The expiration date of an existing operating permit will not be affected when “revised” to include new *NO<sub>x</sub> Allowance Budget Trading* conditions.

2.4.7 The effective date of the *NO<sub>x</sub> Budget Permit* should not be confused with the operating permit’s effective and expiration dates. The *Article 3 FOP* that the *NO<sub>x</sub> Budget Permit* can be a subsection of, will have a preset effective date of January 1 and an expiration date of December 31 up to five years later. For *non-EGU* facilities that will not require a Title IV related permit, the effective and expiration dates of the existing *Article 1 FOP* or *Article 5 SOP* will not be altered with the addition of the *NO<sub>x</sub> Budget Trading Program* conditions.

2.4.8 The effective date of the *NO<sub>x</sub> Budget Permit* will be listed within the body of the operating permit as one of the conditions in a section dedicated to the trading program. For the *Article 3 FOP* boilerplate provided in Appendix B, this is Section XI. The purpose in allowing the budget trading permit’s effective date to be different than the

operating permit's effective date appears to be flexibility. While the Title IV acid rain permit conditions must become effective on January 1 for a new installation, CEM equipment required for the NO<sub>x</sub> Budget Program has until May 1 of that year to be tested and receive certification from the VADEQ.

2.4.9 The bulk of the permit application document is a summary of the owner/operator's responsibilities under the federal *NO<sub>x</sub> Allowance Budget Trading* program found in 40 CFR 72. The equivalent Virginia regulatory requirements (as provided in the *Article 3 FOP* boilerplate) can be found in 9 VAC 5-140-60. By signing this document the owner/operator of the *NO<sub>x</sub> Budget Source* legally states that they have read and understood their requirements under the law and will maintain their facility's compliance with them.

2.4.10 After the Authorized Account Representative has signed the application, the original signed copy of the application (along with any other documents required for a complete application package) is to be sent to the VADEQ Regional Office for review. The VADEQ Regional Office will provide copies of these documents to the USEPA Region III and CAMD headquarters.

## **2.5 NO<sub>x</sub> Budget Retired Unit Exemption Form**

2.5.1 *Retired Unit Exemptions* are limited to *NO<sub>x</sub> Budget Units* that were already included in a facility's *NO<sub>x</sub> Budget Permit*, and have a *NO<sub>x</sub> Budget Trading Account*. Virginia regulations covering *Retired Units* are located in 9 VAC 5-140-50. If the unit is permanently shut down at the time the facility is applying for its initial *NO<sub>x</sub> Budget Trading Accounts* and permit, no documentation on the unit will be required. The *Retired Unit Exemption* can be applied to units that are either completely removed from the site or simply shut down and left in place. An example of this exemption form is provided in Appendix A.

2.5.2 The *Retired Unit Exemption* will become effective on the date the unit ceases operations. It can not emit nitrogen oxides after this date. For a *NO<sub>x</sub> Budget Unit* that shut down operations prior to the beginning of the *NO<sub>x</sub> Control Period* for that year, the unit will be eliminated from the *NO<sub>x</sub> Budget Trading Account* immediately. For units that cease operations during a *NO<sub>x</sub> Control Period*, the unit will remain on the *NO<sub>x</sub> Budget Trading Account* until the end of the year. The owner must provide enough NO<sub>x</sub> allowances to match the NO<sub>x</sub> emissions of the unit during the *NO<sub>x</sub> Control Period* before it ceased operations. The unit will then be deleted from the accounting process beginning the following year.

2.5.3 There is no established schedule for submission of a *Retired Unit Exemption* form. The document can be submitted at anytime prior to or after the shutdown of the emission source.

2.5.4 For units that are physically removed from the site and no longer exist, records demonstrating that the equipment was removed must be kept on site for five years after

the date of removal. Afterwards, no further records are needed to support the *exemption*. For units that are shut down but are not removed from the site the period for maintaining records may be extended beyond five years for cause (9 VAC 5-140-50 C.5).

2.5.5 An individual exemption form will be completed for each unit to be retired. As seen on the example form, the information required will include the plant name and ORIS / FACILITY code, the *Retired Unit's* ID number, and the date the unit will be permanently retired. The *Authorized Account Representative* of the company will sign the form. The original document will be submitted to the CAMD division of the USEPA. A copy of the form should be provided to the VADEQ Regional Office for their records. The VADEQ will amend the *NO<sub>x</sub> Budget Source's* permit after receipt of the documents (9 VAC 5-140-50 B.3).

2.5.6 If the owner plans to return the unit to operation, the owner must submit a revised *NO<sub>x</sub> Account Certificate of Representation* form to CAMD, and a revised permit application to the VADEQ at least 18-months prior to the date the unit is scheduled to be brought back on line (9 VAC 5-140-50 C.2). This lead-time can be altered at the discretion of the permit writer on a case-by-case basis.

## **2.6 25-Ton Exemption Units**

2.6.1 As described in Section 1.4, when a facility has agreed to limit the NO<sub>x</sub> emissions for a unit below 25-tons during the control period (40 CFR 96.4) it will be exempted from normal NO<sub>x</sub> allowance trading monitoring requirements. However, both the USEPA (CAMD and Region III) and the VADEQ must be informed of the existence of these *25-Ton Exemption Units*, and receive routine confirmation that they are being operated according to their federally enforceable permit. Each November 1, the hours of operations for the *25-ton Exemption Units* will be included in the *Annual Compliance Report* to the agencies (9 VAC 5-140-40 B.4.c, d, and e).

2.6.2 There are no formal procedures or application documents for *25-Ton Exemption Units*. At the time that the owner is submitting the *NO<sub>x</sub> Budget Trading* permit application to the VADEQ, they will provide in a separate document a list of the air emission sources that they believe meet the *25-Ton Exemption Unit* specification. This document will provide all the information necessary for the VADEQ Regional Office to determine if the source will be operated to meet the exemption requirements. This information will include the equipment's name and facility ID, the fuel used, the heat and/or electrical capacity of the units, air emission controls (if applicable), and limitations on the hours of operation, heat input capacity, and/or fuel consumption that result in NO<sub>x</sub> emissions below the 25-ton threshold.

2.6.3 After confirming that the unit(s) will meet the definition, the VADEQ Regional Office will notify the owner of our findings in writing. There is no formal deadline for completion of this response by the VADEQ at this time. In practice, confirmation of this exemption should be completed as soon after the 60-day completion notice as possible.

This notification on VADEQ letterhead will list the affected units and define the operational limitations (restrictions on operating schedule in hours per *NO<sub>x</sub> Control Period*) that will insure the NO<sub>x</sub> emission thresholds for *25-Ton Exemption Units* is met. This notice will also provide the NO<sub>x</sub> control permit maximum emissions (in tons) if the owner has opted on their own initiative for an emission limitation below 25 tons. A copy of the owners original request and this notification will be sent to the USEPA Region III and CAMD.

2.6.4 As required by the regulations, the operational restrictions placed on the 25-Tons Exemption Units will be clearly defined as an enforceable condition in the operating permit issued to the facility. If applicable, the existing operating permit will be modified to include them. A copy of this permit will be made available to the USEPA Region III at their request (9 VAC 5-140-40 B.3).

2.6.5 A standard *NO<sub>x</sub> Budget Trading* account will not be opened for these units. In the annual compliance report due in November, the owner will demonstrate the unit's compliance with its exemption by providing the number of hours it operated during the last Control Period and the previous fiscal year. The VADEQ is expected to confirm this information if asked by the CAMD division of the USEPA. When shown that the unit operated within its limitations, the pre-approved number of NO<sub>x</sub> Allowances (25-tons or less) will be withdrawn from the source's General Account by CAMD.

### **3.0 VADEQ NO<sub>x</sub> Allowance Budget Trading Permit Approval Procedures**

#### **3.1 VADEQ Goals**

3.1.1 The primary responsibilities of the VADEQ under the NO<sub>x</sub> SIP Call are to:

- Provide operating conditions on the unit(s) in a federally enforceable permit
- Insure that the facilities and their air emission sources are registered with the USEPA NO<sub>x</sub> allowance database
- Certify that the CEM system(s) or optional monitoring procedures chosen to meet program requirements
- Annually assign NO<sub>x</sub> Allowances to the emission sources

3.1.2 Once the *NO<sub>x</sub> Budget Sources* are registered with the USEPA, the VADEQ will have little involvement with the trading of NO<sub>x</sub> allowances. The VADEQ's main responsibility will be to review the annual quality assurance reports to confirm that the estimation of NO<sub>x</sub> emissions made by the owners is accurate. The VADEQ responsibilities in this area are more fully described in ASOP-11.

3.1.3 The following sections will briefly describe the permitting process and the schedule required by the program for new installations. In addition, the subjects of permit renewal, *Retire Unit* exemption, LME Units and permit modification will be covered.

3.1.4 NOTE: As a reminder, while the term "permit" is used in reference to the *NO<sub>x</sub> Budget Trading* program requirements, there will be no stand alone document. As per 9 VAC 5-140-200 the *NO<sub>x</sub> Budget Permit* will be incorporated into the facility's federally enforceable operating permit. This operating permit may be either a State Operating Permit or an Article 1 FOP (Title V) for sources that do not meet the requirements under Title IV Acid Rain regulations. For Title IV facilities, the *NO<sub>x</sub> Budget Permit* will be incorporated into the new permit format, the "Article 3 Federal Operating Permit".

#### **3.2 Initial Permit Approval Schedules**

3.2.1 The first effective *NO<sub>x</sub> Control Period* for Virginia is scheduled to begin on May 31, 2004. To meet the 18-month deadline for submittal of applications an initial due date of November 1, 2002 has been set for the delivery of Group 1 and Group 2 source permit applications to the VADEQ Regional Offices. This due date applies to all *NO<sub>x</sub> Budget Sources* operating as of October 31, 2002 (Group 1), or will commence operations before May 31, 2004 (Group 2).

3.2.2 The permit application package will consist of three separate forms:

1. the NO<sub>x</sub> Budget Permit Application,
2. the Account Certificate of Representation,



3. and the General Account Information form.

3.2.3 By federal and state regulation, the NO<sub>x</sub> Budget Permit Application is the only form in which the signed original is required to be sent to the VADEQ Regional Office. The original copies of the other forms will be sent to the CAMD unit of the USEPA. By requesting copies of the trading account applications, the Regional Offices can confirm that all of the information listed in the permit application matches the information supplied to the USEPA. The facility will provide a copy of the permit application to CAMD. As requested the VADEQ regional office will also provide copies of all the documents to the USEPA Region III.

3.2.4 Region III of the USEPA has informally requested to be kept informed on the progress of permit application process. The VADEQ has responded to this request by agreeing to copy the USEPA on all correspondence to the owners in regards to NO<sub>x</sub> Budget Trading Program permitting. This correspondence will include: a 10-day notice of receipt letter, a 60-day completeness review letter (these documents can be combined), the draft permit approval, and the final permit approval.

3.2.5 The initial permitting schedule for Group 1 sources is provided in the schedule included in Appendix B. A summary of this schedule is as follows:

- **November 15, 2002** – All permit applications have been received and notices of receipt sent to the owners and USEPA Region III. All sources should have applied for *NO<sub>x</sub> Trading Accounts* and named their *Authorized Account Representatives* no later than this date.
- **January 3, 2003** – The 60-day completeness review of the permit applications is to be sent to the owners and the USEPA Region III no later than this date.
- **January 3 to May 1, 2003** – Review and approval of CEM/monitoring systems Certification applications and Monitoring Plans.
- **May 1, 2003 to September 1, 2003**, review stack tests and issue CEM certifications.
- **May 31, 2004** – complete issuing of the Group 1 *NO<sub>x</sub> Budget Trading Permits*, by incorporating them into existing federally enforceable permits.

3.2.6 The primary purpose of the 10-day and 60-day notices is to keep the owners and the USEPA Region III informed on the progress of the permit program. In reviewing the permit applications the VADEQ Regional Offices will confirm that the number and types of *NO<sub>x</sub> Budget Units* listed in the applications match the air emission units permitted for the site in other documents.

3.2.7 The regional representative will then confirm that the information listed matches the trading account database information provided to the USEPA. This information is available on the Clean Air Markets internet site at:

<http://www.epa.gov/airmarket/tracking/index.html>

Follow the instructions under the heading “**Interactive Online Reports**” to determine if the facility has a trading account and if so, how many individual NO<sub>x</sub> Budget Units have been listed. [As of March 15, 2004 a total of 41 facilities with 148 emission units have been assigned trading accounts.](#)

3.2.8 An example of a notice letter combining the requirements of the 10-day and 60-day notices has been provided in Appendix B. If an error or omission is discovered during the review of the permit application, the Authorized Account Representative is to be notified immediately by the VADEQ Regional Office representative. It is the Account Representative’s responsibility to contact the CAMD unit of the USEPA and correct any errors in their trading account information.

3.2.9 After the permit application has been checked for completeness, the permit approval procedures can begin. The first step will be the certification of the Continuous Emission Monitoring (CEM) system that will be used to measure the NO<sub>x</sub> emission rates for the majority of units. The responsibility for reviewing and approving the emission monitoring procedures will be assigned to the regional offices air compliance inspectors. The compliance inspectors will also review and approve the results of stack testing for the individual facility.

3.2.10 Examples of certification notices and checklists have been provided in Appendix C. A full description of the CEM Certification process and the compliance inspector’s responsibilities is provided in ASOP-11. This reference will also provide information on the technical requirements of the CEM systems or the accepted alternative methods chosen for the air emission equipment. For Group 1 *NO<sub>x</sub> Budget Sources* the following certification schedule has been set:

- **February 15, 2003** – CEM certification protocols and Monitoring Plans have been submitted electronically to the USEPA for their review. Hard paper copies of the documents and their supporting material will be delivered to the VADEQ Regional Office at the same time. VADEQ Regional inspectors will review this material for accuracy.
- **March 15, 2003** – 45-day notices of the Certification Testing of the CEM systems will be issued by the owners to the USEPA and VADEQ Regional Offices no later than this date. The VADEQ Regional Office inspectors will acknowledge receipt of this notice to the owner. Arrangements will be made to allow VADEQ representatives to observe testing.
- **May 1, 2003** – All CEM testing is to be completed, and all documents and test results to be delivered to the VADEQ for review and approval. The VADEQ has 120-days to issue their approval or disapproval of the CEM certification and monitoring plans. During this period the CEM systems will be operating and collecting preliminarily certified data (9 VAC 5-140-710 B.3).
- **September 1, 2003** – All CEM certification reviews will be completed and approvals issued.

3.2.11 After the VADEQ's formal notice of approval of the CEM certification has been issued to the owner and the USEPA Region III, the NO<sub>x</sub> Budget Trading permit can be issued. For approved sources, the CEM data collected during the certification review and prior to the issuing of the permit will be considered valid data (provided recordkeeping and QA/QC procedures have match the monitoring plan). Further detail on this subject is provided in ASOP-11.

3.2.12 If the certification is disapproved, then the CEM certification process must be repeated. CEM data collected up to this point will be considered invalid. There is no formal policy on the time allowed for correcting the shortcomings of the CEM certification application or the testing program that resulted with disapproval. The VADEQ Regional Offices should work with the owner to correct the causes of the disapproval as soon as possible. This will not only allow for the permit process to go forward, but will allow the collection of valid CEM data to begin as soon as possible. CEM certification and permitting of operating Group 1 *NO<sub>x</sub> Budget Sources* must be completed prior to the start of the *NO<sub>x</sub> Control Period*, May 31, 2004.

### **3.3 Group 2 and 3 Unit Permitting and CEM Certification Schedules**

3.3.1 For new facilities that will commence operations after November 1, 2002, the permit approval process will begin at least 18-months prior to the planned start-up date. This schedule can be reduced with the prior agreement of the VADEQ Regional representative. As with the Group 1 permits, the permitting process for Group 2 and 3 units will begin with the receipt of the NO<sub>x</sub> Budget Trading Permit application, the General Account Information form, and the Account Certificate of Representation form.

3.3.2 For new sources that will commence operations after January 1, 2003 (Group 2 and 3 sources) the following deadlines for submission of CEM certification documents and completion of stack testing will apply (9 VAC 5-140-700 C):

- 180-days after the unit commences operation for Non-EGU facilities
- 90-days after the unit commences operation for EGU facilities

3.3.3 The VADEQ has 120-days after receiving all certification documents (to include the stack testing results) to respond. To assist in the permitting process it is suggested that the owners/operators submit the protocols and monitoring plans to the VADEQ and CAMD before the predicted start up date to save time.

3.3.4 These certification deadlines apply both to facilities that will be reporting on an Annual Basis and those reporting only on a Control Period Basis. Facilities reporting on an annual basis must operate their CEMs throughout the year, and report their monitoring results on a quarterly basis. Facilities reporting on a control period basis will only need to operate their CEMs during the *NO<sub>x</sub> Control Period* itself. The monitoring systems can be shut down for the remainder of the year. A single report summarizing their emission monitoring results will be due each year (on November 1).

3.3.5 The majority of *NO<sub>x</sub> Emission Sources* to be permitted in Virginia will be reporting on an annual basis. Non-EGU facilities that do not have a Title IV Acid Rain permit requirement, and are not under any other regulatory need to reduce emissions (they have not been issued NO<sub>x</sub> allowances for example), may be allowed to limit air emission monitoring to the *NO<sub>x</sub> Control Period* only. The VADEQ will need to review and approve the facilities request for control period monitoring. Further information on the differences between these groups please refer to 9 VAC 5-140-740 D and 40 CFR 75.74.

3.3.6 Only after approval of the CEM certification can the final permit for New Sources be issued. Using the timeline presented in the regulations this will take between 18-months and 28-months after the initial receipt of the application to complete. This time period can be reduced with the approval of the Regional Office.

### **3.4 NO<sub>x</sub> Budget Permit Format**

3.4.1 The permit conditions covering the *NO<sub>x</sub> Budget Trading Program* are found in Section XI of the *Article 3 FOP* boilerplate, and in Condition 15, parts A through H in the *Article 5 SOP* boilerplate provided in Appendix B. A review of these permit conditions will show that these documents closely follow the format and wording of the USEPA developed permit application form and the 9 VAC 5-140-60 citations. Instructions and descriptions of the options available to the permit writer are provided within the boilerplates and will not be duplicated here.

3.4.2 The regulations of the Virginia Administrative Code have recently been updated to take into account emission trading programs. These changes are incorporated into Article 3 (9 VAC 5-80-360 et seq.) and Chapter 140, The NO<sub>x</sub> Trading Program (9 VAC 5-140-10 et seq.). Part of the VADEQ's response to these new requirements has been the development of a new permit format known as the "*Article 3 Federal Operating Permit*". Within this single document all operating conditions for a facility under the CAA's Title IV, Title V, and the *NO<sub>x</sub> SIP Call* will be provided for.

3.4.3 A review of the reasons behind the development of the *Article 3 Federal Operating Permit* has been provided in the document "The Permit Writer's Guide to Acid Rain Permitting". Please refer to that document for further details on this subject. A copy of boilerplate for the *Article 3 Federal Operating Permit* itself has been provided in Appendix B. Section XII of this document contains the newly developed compliance conditions designed to meet the standard requirements of the *NO<sub>x</sub> Budget Trading Program* as described in 9 VAC 5-140-60.

3.4.4 Most of the non-EGU *NO<sub>x</sub> Budget Sources* do not have to be permitted under the Acid Rain permitting program (Title IV). These sources will retain their existing *Article 1 FOP* or *Article 5 State Operating Permit*. The conditions required under the *NO<sub>x</sub> Budget Trading Program* will be added to the existing operating permit as an additional section of permit conditions.

3.4.5 A review of the regulations under Article 1 and Article 3 has shown that the addition of emission trading programs to an existing permit is to be considered a “minor modification” (9 VAC 5-80-210 and 9 VAC 5-80-570). For *NO<sub>x</sub> Budget Sources* that have been issued their final federally enforceable permit, the addition of the *NO<sub>x</sub> Budget Trading* standard requirements can be made without opening the permit and providing for public notice and comment. The addition of *NO<sub>x</sub> Budget Trading* conditions will not affect the expiration date of the permit.

3.4.6 For *New Sources*, or *NO<sub>x</sub> Budget Sources* that have not yet received their final operating permit, the modification to the permit will be made prior to the issuing of the draft permit when applicable. If the draft permit has been sent to the owner and USEPA, the Regional Office will send the modified draft document as soon as practical. Since these new conditions will not alter the operation or the air emissions of the facility, additional public notices and extensions of the public comment period will not be required.

3.4.7 Region III of the USEPA will be notified of the receipt of a permit modification application from an owner/operator within 5 business days (9 VAC 5-80-570 D). After the draft modified operating permit has been approved by the owner, Region III of the USEPA will have 45-days to review and comment on the submission prior to final approval (9 VAC 5-80-570 E).

3.4.8 There is a potential for *New Sources* not to have an operating permit in place at the beginning of their first *NO<sub>x</sub> Control Period*. To meet the federal requirement for an operating permit, a State Operating Permit boilerplate has been developed for the *NO<sub>x</sub> Budget Trading Program*. An example of this SOP is provided in Appendix B. This specialized permit document will be used to fulfill the federal requirement for an enforceable permit while the final *Article 1 Federal Operating Permit* or *Article 3 Federal Operating Permit* is being completed.

### **3.5 Modifications to NO<sub>x</sub> Budget Permits**

3.5.1 It is the responsibility of the owner/operator to over time review all changes in equipment and/or operations at their facility for impacts on their *NO<sub>x</sub> Budget Permit*. These changes can include the addition or removal of *NO<sub>x</sub> Budget Units*, changes in fuel utilized, changes in personnel, etc. The impact of these changes on the permit to operate can vary significantly. The following paragraphs describe the majority of modifications to *NO<sub>x</sub> Budget Permits* that can be expected and suggestions on regional office responses.

3.5.2 As described in 9 VAC 5-80-560, Administrative permit amendments to an approved permit to operate are allowed. These amendments represent changes not due to a major error in the data provided in the application or a change in the equipment located at the facility. These can include simple typographical errors, changes in site contact phone numbers or email addresses, etc. The Regional Office will decide the level of response to the permit amendment. This can range from simply adding a

notation to the permit file, to publishing an updated copy of the permit to operate containing the corrections. The decision to inform the USEPA of an administrative change will be made on a case by case basis. Administrative amendments will not affect the permit's expiration date.

3.5.3 During the effective period of an approved permit to operate, changes in the existing equipment or the installation of new *units* may occur. If these new units are *NO<sub>x</sub> Budget Units*, and will affect the amount of NO<sub>x</sub> emissions expected from the facility, then the existing *Article 1* or *Article 3 FOP* will have to be reopened to public notice.

3.5.4 If a new emission unit(s) meet the definition of a *25-Ton Exemption Unit*, the operating permit does not have to be reopened due to NO<sub>x</sub> Budget Trading purposes (The permit may have to be reopened under other air pollution regulations). After the VADEQ has reviewed the information on these new *25-Ton Exemption Units*, the VADEQ will inform CAMD. As a courtesy, the Region III of the USEPA will also be informed of the addition of these units.

3.5.5 The retirement of *NO<sub>x</sub> Budget Unit(s)* also will not require that the existing operating permit be reopened for *NO<sub>x</sub> Budget Trading* purposes. The removal of these units will be accounted for when the operating permit is due for renewal. The facility will provide the VADEQ Regional Offices with the Retired Unit Exemption application form(s). The regional office will notify both the CAMD and Region III divisions of the USEPA of the receipt of the application within 5 days. The VADEQ regional inspectors will be informed of the retirement and will confirm the shut down of the unit(s) and the date of the event. This information will be placed in the facility's files until the permit is due for renewal.

## 4.0 Summary

4.0.1 It is expected that the majority of permitting activities for the *NO<sub>x</sub> Budget Trading Program* to be completed by May 31, 2004. Afterwards, the occasional addition of a new unit, or the retirement of an existing one will be the only routine permit activities that we can expect since *NO<sub>x</sub> Budget Permits* do not need to be renewed.

4.0.1 The majority of VADEQ responsibilities in the future will involve the quality assurance review of emission data and the determination of the annual allotment of NO<sub>x</sub> allowances. Quality Assurance activities will be handled by the regional compliance staff of the VADEQ. ~~The Central Office will supervised the annual allotment of NO<sub>x</sub> allowances. A description of this responsibility is provided in the guidance memo included as Appendix D.~~ The Central Office of the VADEQ will be responsible for setting the annual allotment of allowance to existing facilities, and will supervise the annual auction of the set-aside allowances. As of this writing, the procedures for both of these actions have not been finalized. Appendix D outlines what the responsibilities of this office will be.

## References

### Virginia Administrative Code of Regulations

<http://www.deq.state.va.us/air/regulations/airregs.html>

- 9 VAC 5-50-10 et seq. - New and Modified Stationary Sources, Special Provisions
- 9 VAC 5-80-1100 et seq. – Permits for New and Modified Stationary Sources
- 9 VAC 5-80-50 et seq. – Federal Operating Permits for Stationary Sources, Article 1
- 9 VAC 5-80-360 et seq, - Acid Rain Operating Permits, Article 3
- 9 VAC 5-140-10 et seq. – NOx Budget Trading Program

### Code of Federal Regulations

<http://www.epa.gov/epacr40/chapt-I.info/chi-toc.htm>

- Acid Rain Program General Provisions – 40 CFR 72 et seq.
- Acid Rain Program Continuous Emission Monitoring - 40 CFR 75 et seq.
- Acid Rain Nitrogen Oxides Emission Reduction Program – 40 CFR 76 et seq.
- NOx Budget Trading Program for State Implementation Plans – 40 CFR 96 et seq.
- Federal NOx Budget Trading Program – 40 CFR 97 et seq.
- Standards of performance for new stationary sources - 40 CFR 60 et seq.

## Internet References

### Clean Air Markets Division references

- <http://www.epa.gov/airmarket/index.html>, CAMD Home Page
- <http://www.epa.gov/airmarket/whatsnew.html>, “What’s New” Page
- <http://www.epa.gov/airmarkets/monitoring/polman/index.html>, Draft Part 75 and Part 76 Policy Manual, May 1, 2003
- <http://www.epa.gov/airmarkets/reporting/edrrevproc03.pdf>, Electronic Data Review Process, April 3, 2003
- <http://www.epa.gov/airmarkets/reporting/edr21/index.html>, Electronic Data Reporting Software, updated March 31, 2003
- <http://www.epa.gov/airmarkets/monitoring/index.html>, Monitoring Data Checking Software and quality assurance procedure documents
- <http://www.epa.gov/airmarket/tracking/index.html>, Allowance Tracking Program, On-Line Account Reports (updated daily)
- <http://www.epa.gov/airmarkt/forms/index.html>, Permitting Forms for the NOx Budget Trading Program (NOx SIP Call and Section 126)



- <http://www.epa.gov/airmarkt/fednox/index.html>, EPA's NOx Budget Trading Program Home Page

### **Energy Information Administration home page**

- <http://www.eia.doe.gov/>, To request either an ORIS or Facility code complete Form EIA-860

### **Virginia Department of Environmental Quality references**

- [http://deqnet/docs/default.asp?path=./main/air/air\\_permitting/Manuals/NOX\\_Trading\\_Manual](http://deqnet/docs/default.asp?path=./main/air/air_permitting/Manuals/NOX_Trading_Manual)  
Permit Writer's Guide to the NOx Budget Trading Program
- [http://deqnet/docs/default.asp?path=./main/air/air\\_permitting/Manuals/Acid\\_Rain\\_Guidance](http://deqnet/docs/default.asp?path=./main/air/air_permitting/Manuals/Acid_Rain_Guidance)  
Permit Writer's Guide to Acid Rain Permitting
- [http://deqnet/docs/default.asp?path=./main/air/air\\_compliance/ASOP\\_Manual](http://deqnet/docs/default.asp?path=./main/air/air_compliance/ASOP_Manual)  
ASOP-11CEM Certification for the NOx Trading Program  
ASOP-4 CEM Audit Evaluations

The names of the guidance documents may be altered as the documents are updated and revised over time.

## **Appendix A**

### **NOx Allowance Budget Trading Program Trading Account and Permitting Application Documents**

- General Account Information form, OMB No. 2060-0445
- Account Certificate of Representation form, OMB No. 2060-0445
- NOx Budget Permit Application – DRAFT, no date
- NOx Budget Retired Unit Exemption form

# General Account Information



This form is required to establish a general account in the NOx Allowance Tracking System (NATS) and should be submitted to EPA by any person, company, or organization wishing to open such an account for the purpose of holding and transferring allowances under the NOx BudgetTrading Program. To open a new general account, complete all steps in this form, leaving the NATS account number and the Authorized Account Representative (AAR) ID blank for EPA to assign (unless you are an AAR for another account in NATS, in which case you should write in your AAR ID number). Both the AAR and the alternate (if applicable) must sign and date the certification statement in Step 6. To revise information associated with an existing general account, enter your NATS account number and AAR ID number and complete only those steps covering the information you wish to change. You must complete Step 6 to authorize the change of information. Only the AAR or alternate AAR can authorize the change, and only one signature is needed. The AAR should notify all persons who have an ownership interest in the allowances held in an account every time he or she makes a NOx BudgetTrading Program submittal.

This submittal is:      ~ New (to open a new general account)  
                                     ~ Revised (to revise information on an existing general account)

NATS Account Number	AAR ID Number
Name of Account	

**STEP 1**  
Enter requested  
information for the  
Authorized Account  
Representative.

Name	
Firm (Optional)	
Phone Number	Fax Number
E-mail Address	

**STEP 2 (Optional)**  
Enter requested  
information for the  
Alternate Authorized  
Account Representative.

Name	
Firm (Optional)	
Phone Number	Fax Number
E-mail Address	

**STEP 3**  
Enter the mailing  
address for the  
account.

Address
---------

**STEP 4**  
Enter the names of all  
parties (persons or  
companies) subject  
to the binding agreement  
authorizing your  
representation  
of the account.\*

Name
Name
Name

\*Identify all parties with an ownership interest in the allowances held in this account. All of these parties must be subject to a binding agreement authorizing the representation of the account by the AAR, and, if applicable, the alternate AAR, identified in Steps 1 and 2.

---

If you (the AAR) are the only person with an ownership interest in the allowances held in the account, list your name here.

NATS Account Number (from page 1)

**STEP 5 (Optional)**  
Respond to the questions by marking all appropriate boxes (this information will be used for program evaluation purposes only).

Is the Authorized Account Representative employed by an allowance brokerage firm?

- ☐ No  
☐ Yes (if yes, please mark all boxes that apply)  
     ☐ This account will be used to transfer allowances between clients  
     ☐ This account will be used to hold allowances for investment purposes  
     ☐ This account will be used for other purposes (*please specify*)

What types of business are represented by the owner(s) of allowances in this account? (Mark all boxes that apply)

- ☐ Utility  
☐ Non-Utility Generator of Electricity  
☐ Industrial Boiler  
☐ Fuel Supplier  
     ☐ Coal                      ☐ Oil  
     ☐ Gas                         ☐ Other  
☐ Pollution Control Equipment  
☐ Public Interest Group  
     ☐ Consumer                ☐ Other  
     ☐ Environmental  
☐ Other

#### STEP 6

Read the certification and sign and date. (Only one signature is needed if the form is being used to revise account information.) Leave the account number blank if you are opening a new account.

I certify that I was selected as the NO<sub>x</sub> authorized account representative or the NO<sub>x</sub> alternate authorized account representative, as applicable, by an agreement that is binding on all persons who have an ownership interest with respect to allowances held in the general account. I certify that I have all the necessary authority to carry out my duties and responsibilities under the NO<sub>x</sub> Budget Trading Program on behalf of such persons and that each such person shall be fully bound by my representations, actions, inactions, or submissions and by any order or decision issued to me by the Administrator or a court regarding the general account.

Signature (Authorized Account Representative)	Date
Signature (Alternate Authorized Account Representative, if any)	Date

#### Submission Information

**U.S. Mail:**  
 U.S. Environmental Protection Agency  
 NO<sub>x</sub> Budget Trading Program (6204N)  
 Attention: NO<sub>x</sub> Allowance Tracking System  
 1200 Pennsylvania Ave., NW  
 Washington, D.C. 20460

**Overnight Mail:**  
 U.S. Environmental Protection Agency  
 NO<sub>x</sub> Budget Trading Program (6204N)  
 Attention: NO<sub>x</sub> Allowance Tracking System  
 633 3<sup>rd</sup> Street, N.W.  
 Washington, D.C. 20001

EPA Form 7620-15

**Paperwork Burden Estimate**

The public reporting and recordkeeping burden for this collection of information is estimated to average 30 hours per response. Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Send comments on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including through the use of automated collection techniques to the Director, Collection Strategies Division, U.S. Environmental Protection Agency (2822), 1200 Pennsylvania Ave., NW., Washington, D.C. 20460. Include the OMB control number in any correspondence. Do not send the completed form to this address.





# Account Certificate of Representation

This form is required to establish an Authorized Account Representative for compliance accounts under the Nox Budget Program. For more information, see instructions on the reverse side of the form. When complete, send to the appropriate STATE authority. Once the state completes the State Verification section, the form shall be forwarded to the US EPA Acid Rain Program for registration with the NOx Allowance Tracking System (NATS).

This submission is: ☐ New  
☐ Revised

Check this box if you are also the Designated Representative for this plant under the Acid Rain Program: ☐

## STEP 1

Identify the budget source(s) by plant name, State, and, if applicable, ORISPL code.

Plant Name	State	ORIS Code
------------	-------	-----------

## STEP 2

Enter requested information for the Authorized Account Representative (AAR).

Name	AAR ID Number (if known)
Address	
Phone Number	Fax Number
E-mail Address (if available)	

## STEP 3

Enter requested information for the Alternate Authorized Account Representative, if applicable.

Name	AAR ID Number (if known)
Phone Number	Fax Number
E-mail Address (if available)	

## STEP 4

Provide the name of every owner and operator of the budget sources at the plant. Identify the budget sources they own and/or operate by boiler ID#.

Name				<input type="checkbox"/> Owner	<input type="checkbox"/> Operator
ID#	ID#	ID#	ID#	ID#	ID#
ID#	ID#	ID#	ID#	ID#	ID#

Name				<input type="checkbox"/> Owner	<input type="checkbox"/> Operator
ID#	ID#	ID#	ID#	ID#	ID#
ID#	ID#	ID#	ID#	ID#	ID#

Name				<input type="checkbox"/> Owner	<input type="checkbox"/> Operator
ID#	ID#	ID#	ID#	ID#	ID#
ID#	ID#	ID#	ID#	ID#	ID#



Plant Name (from Step 1)

Account Certificate of  
Representation - Page 2

**STEP 5**  
**Read the certification,**  
**sign and date.**

I certify that I, \_\_\_\_\_ (name), was selected as the Authorized Account Representative as applicable by an agreement binding on the owners and operators of the budget source(s) legally designated as \_\_\_\_\_ (plant name).

Signature (Authorized Account Representative)	Date
Signature (Alternate Authorized Account Representative)	Date

**STATE VERIFICATION**

Representing the state of \_\_\_\_\_ (state name), I have verified the following:

- The budget sources listed in Step 4 of this form are affected under the NOx Budget Program
- All budget sources affected under the NOx Budget Program at the plant addressed in this submission are identified in Step 4 of this form.

Name	Phone Number
Signature	Date

**INSTRUCTIONS**

*Under the state regulations developed in accordance with the Ozone Transport Commission Memorandum of Understanding to implement the NOx Budget Program, the owners and operators for each budget source must designate a representative, and may designate an alternate, to act on their behalf. The owners and operators should choose the representative through a process that ensures that all owners and operators have notice regarding the selection. All budget sources at a plant must have the same Authorized Account Representative. The Authorized Account Representative is responsible for all submissions and allowance transactions relating to the budget sources at that plant. The Authorized Account Representative and the Alternate Authorized Account Representative are liable for acts or omissions within the scope of their responsibilities under the NOx Budget Program. EPA will not record an allowance transaction until it has received a complete Account Certificate of Representation.*

Please type or print. If more space is needed, photocopy the first page. Indicate the page order and total number of pages (e.g., 1 of 4, 2 of 4, etc.). Note: An Account Certificate of Representation amending an earlier submission supersedes the earlier submission in its entirety. A revised Account Certificate of Representation must therefore be complete, including signature and dating by the Authorized Account Representative (and the Alternate, if applicable).

Submit one Account Certificate of Representation form with original signatures. Remember that the Authorized Account Representative should notify each owner and operator of all NOx Budget Program submissions.

**For assistance, call the EPA's Acid Rain Division Hotline at (202) 233-9620.**

**STEP 1** If any budget source at the plant is affected by the Acid Rain Program, the ORISPL code is embedded in the first six digits of the unit account number for that source under the Acid Rain Program. If there are not any budget sources at the plant affected by the Acid Rain Program, a budget source should use the plant or facility code registered with the Department of Energy (DOE) to obtain an ORISPL code. (For utilities reporting on the EIA-767, -860, and -861, the plant code would be used as the ORISPL code. For nonutilities reporting on the EIA-867, the facility code would be used as the ORISPL code). If the budget source does not report to DOE, and therefore does not have an ORISPL code, the budget source should call the Acid Rain Program Hotline for assistance.

**STEP 2** The Authorized Account Representative must be a natural person and cannot be a company. Please

enter the firm name and address as it should appear on all correspondence. Note: All EPA correspondence is mailed to the Authorized Account Representative only. An Alternate Authorized Account Representative must rely on the Authorized Account Representative to forward information mailed by EPA.

**STEP 4** The owners and operators may be companies or natural persons.

Identify each budget source at the plant that is owned or operated by the named party by providing the unit identification number for the budget source. If a budget source is affected by the Acid Rain Program, the source should provide the same unit ID# used under the Acid Rain Program. If a budget source is not affected by the Acid Rain Program, the source should determine an appropriate ID# that it will use for all OTC purposes. This ID# must be six digits or less.

**STEP 5** Note the certification statement.

**SUBMISSION INSTRUCTIONS:**

Mail this form to:

Submit this form prior to submission of the monitoring plan for the NOx Budget Program. This form must be submitted before participating in transfers of allowances.

Submit a revised Account Certificate of Representation when any information in the existing Account Certificate of Representation changes.

# NOx Budget Permit Application

Page 1

For more information, refer to 40 CFR 97.21 and 97.22

This submission is: ☐ New ☐ Revised

## STEP 1

Identify the source by plant name, State, and ORIS or facility code

Plant Name	State	ORIS/Facility Code
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## STEP 2

Enter the unit ID# for each NOx budget unit

Unit ID#

## STEP 3

Read the standard requirements and the certification, enter the name of the NOx authorized account representative, and sign and date

### Standard Requirements

#### (a) Permit Requirements.

(1) The NOx authorized account representative of each NOx Budget source required to have a federally enforceable permit and each NOx Budget unit required to have a federally enforceable permit at the source shall:

(i) Submit to the permitting authority a complete NOx Budget permit application under § 97.22 in accordance with the deadlines specified in § 97.21(b) and (c);

(ii) Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review a NOx Budget permit application and issue or deny a NOx Budget permit.

(2) The owners and operators of each NOx Budget source required to have a federally enforceable permit and each NOx Budget unit required to have a federally enforceable permit at the source shall have a NOx Budget permit issued by the permitting authority and operate the unit in compliance with such NOx Budget permit.

(3) The owners and operators of a NOx Budget source that is not otherwise required to have a federally enforceable permit are not required to submit a NOx Budget permit application, and to have a NOx Budget permit, under subpart C of 40 CFR part 97 for such NOx Budget source.

(b) Monitoring requirements.

- (1) The owners and operators and, to the extent applicable, the NOx authorized account representative of each NOx Budget source and each NOx Budget unit at the source shall comply with the monitoring requirements of subpart H of 40 CFR part 97.
- (2) The emissions measurements recorded and reported in accordance with subpart H of 40 CFR part 97 shall be used to determine compliance by the unit with the NOx Budget emissions limitation under paragraph (c).

(c) Nitrogen oxides requirements.

- (1) The owners and operators of each NOx Budget source and each NOx Budget unit at the source shall hold NOx allowances available for compliance deductions under § 97.54(a), (b), (e), or (f) as of the NOx allowance transfer deadline, in the unit's compliance account and the source's overdraft account in an amount not less than the total NOx emissions for the control period from the unit, as determined in accordance with subpart H of 40 CFR part 97, plus any amount necessary to account for actual heat input under § 97.42(e) for the control period or to account for excess emissions for a prior control period under § 97.54(d) or to account for withdrawal from the NOx Budget Trading Program, or a change in regulatory status, of a NOx Budget opt-in unit under § 97.86 or § 97.87.
- (2) Each ton of nitrogen oxides emitted in excess of the NOx Budget emissions limitation shall constitute a separate violation of 40 CFR part 97, the Clean Air Act, and applicable State law.
- (3) A NOx Budget unit shall be subject to the requirements under paragraph (c)(1) starting on the later of May 1, 2003 or the date on which the unit commences operation.
- (4) NOx allowances shall be held in, deducted from, or transferred among NOx Allowance Tracking System accounts in accordance with subparts E, F, G, and I of 40 CFR part 97.
- (5) A NOx allowance shall not be deducted, in order to comply with the requirements under paragraph (c)(1), for a control period in a year prior to the year for which the NOx allowance was allocated.
- (6) A NOx allowance allocated by the Administrator under the NOx Budget Trading Program is a limited authorization to emit one ton of nitrogen oxides in accordance with the NOx Budget Trading Program. No provision of the NOx Budget Trading Program, the NOx Budget permit application, the NOx Budget permit, or an exemption under § 97.4(b) or § 97.5 and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.
- (7) A NOx allowance allocated by the Administrator under the NOx Budget Trading Program does not constitute a property right.
- (8) Upon recordation by the Administrator under subpart F or G of 40 CFR part 97, every allocation, transfer, or deduction of a NOx allowance to or from a NOx Budget unit's compliance account or the overdraft account of the source where the unit is located is incorporated automatically in any NOx Budget permit of the NOx Budget unit.

(d) Excess emissions requirements.

- (1) The owners and operators of a NOx Budget unit that has excess emissions in any control period shall:
  - (i) Surrender the NOx allowances required for deduction under § 97.54(d)(1); and
  - (ii) Pay any fine, penalty, or assessment or comply with any other remedy imposed under § 97.54(d)(3).

(e) Recordkeeping and Reporting Requirements.

- (1) Unless otherwise provided, the owners and operators of the NOx Budget source and each NOx Budget unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time prior to the end of 5 years, in writing by the permitting authority or the Administrator.
  - (i) The account certificate of representation under § 97.13 for the NOx authorized account representative for the source and each NOx Budget unit at the source and all documents that demonstrate the truth of the statements in the account certificate of representation; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new account certificate of representation under § 97.13 changing the NOx authorized account representative.
  - (ii) All emissions monitoring information, in accordance with subpart H of 40 CFR part 97; provided that to the extent that subpart H of 40 CFR part 97 provides for a 3-year period for recordkeeping, the 3-year period shall apply.
  - (iii) Copies of all reports, compliance certifications, and other submissions and all records made or required under the NOx Budget Trading Program.
  - (iv) Copies of all documents used to complete a NOx Budget permit application and any other submission under the NOx Budget Trading Program or to demonstrate compliance with the requirements of the NOx Budget Trading Program.
- (2) The NOx authorized account representative of a NOx Budget source and each NOx Budget unit at the source shall submit the reports and compliance certifications required under the NOx Budget Trading Program, including those under subparts D, H, or I of 40 CFR part 97.

Plant Name (from Step 1)

(f) Liability.

(1) Any person who knowingly violates any requirement or prohibition of the NOx Budget Trading Program, a NOx Budget permit, or an exemption under § 97.4(b) or § 97.5 shall be subject to enforcement pursuant to applicable State or Federal law.

(2) Any person who knowingly makes a false material statement in any record, submission, or report under the NOx Budget Trading Program shall be subject to criminal enforcement pursuant to the applicable State or Federal law.

(3) No permit revision shall excuse any violation of the requirements of the NOx Budget Trading Program that occurs prior to the date that the revision takes effect.

(4) Each NOx Budget source and each NOx Budget unit shall meet the requirements of the NOx Budget Trading Program.

(5) Any provision of the NOx Budget Trading Program that applies to a NOx Budget source or the NOx authorized account representative of a NOx Budget source shall also apply to the owners and operators of such source and of the NOx Budget units at the source.

(6) Any provision of the NOx Budget Trading Program that applies to a NOx Budget unit or the NOx authorized account representative of a NOx budget unit shall also apply to the owners and operators of such unit. Except with regard to the requirements applicable to units with a common stack under subpart H of 40 CFR part 97, the owners and operators and the NOx authorized account representative of one NOx Budget unit shall not be liable for any violation by any other NOx Budget unit of which they are not owners or operators or the NOx authorized account representative and that is located at a source of which they are not owners or operators or the NOx authorized account representative.

(g) Effect on Other Authorities.

No provision of the NOx Budget Trading Program, a NOx Budget permit application, a NOx Budget permit, or an exemption under § 97.4(b) or § 97.5 shall be construed as exempting or excluding the owners and operators and, to the extent applicable, the NOx authorized account representative of a NOx Budget source or NOx Budget unit from compliance with any other provision of the applicable, approved State implementation plan, a federally enforceable permit, or the Clean Air Act.

**Certification**

I am authorized to make this submission on behalf of the owners and operators of the NOx Budget sources or NOx Budget units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

Name	
Signature	Date

Plant Name (from Step 1)
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**STEP 4 (For sources with opt-in units only)**

For each unit listed under Step 2 that is an opt-in unit, re-enter the unit ID#, and indicate if this is an initial permit application for that unit by checking the box

Unit ID#	Check box if initial permit application

**Step 5 (For sources with opt-in units only)**

Read the certification, enter the name of the NOx authorized account representative, sign and date

I certify that each unit for which this permit application is submitted under subpart I of 40 CFR part 97 is not a NOx Budget unit under 40 CFR 97.4(a) and is not covered by an exemption under 40 CFR part 97.4(b) or 97.5 that is in effect.

Name	
Signature	Date

**STEP 6 (For sources submitting an initial NOx Budget opt-in permit application)**

Read the certification, enter the name of the NOx authorized account representative, sign and date

I certify that each unit for which this permit application is submitted under subpart I of 40 CFR part 97 is operating, as that term is defined under 40 CFR 97.2.

Name	
Signature	Date

# NOx Budget Retired Unit Exemption

Page 1

For more information, refer to 40 CFR 97.5

This submission is: ☐ New ☐ Revised

## STEP 1

Identify the source by plant name, State, ORIS or facility code, and Unit ID

Plant Name	State	ORIS/Facility Code	Unit ID
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## STEP 2

Identify the date upon which the unit was (or will be) permanently retired.

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## STEP 3

Read the special provisions and certification, enter the name of the NOx authorized account representative, and sign and date

### Special provisions

- (1) A unit exempt under 40 CFR 97.5 shall not emit any nitrogen oxides, starting on the date that the exemption takes effect.
- (2) The Administrator will allocate NOx allowances under subpart E of this part to a unit exempt under 40 CFR 97.5. For each control period for which the unit is allocated one or more NOx allowances, the owners and operators of the unit shall specify a general account, in which the Administrator will record such NOx allowances.
- (3) For a period of 5 years from the date the records are created, the owners and operators of a unit exempt under 40 CFR 97.5 shall retain at the source that includes the unit, records demonstrating that the unit is permanently retired. The 5-year period for keeping records may be extended for cause, at any time prior to the end of the period, in writing by the permitting authority or the Administrator. The owners and operators bear the burden of proof that the unit is permanently retired.
- (4) The owners and operators and, to the extent applicable, the NOx authorized account representative of a unit exempt under 40 CFR 97.5 shall comply with the requirements of the NOx Budget Trading Program concerning all periods for which the exemption is not in effect, even if such requirements arise, or must be complied with, after the exemption takes effect.
- (5)
  - (i) A unit exempt under 40 CFR 97.5 and located at a source that is required, or but for this exemption would be required, to have a title V operating permit shall not resume operation unless the NOx authorized account representative of the source submits a complete NOx Budget permit application under § 97.22 for the unit not less than 18 months (or such lesser time provided by the permitting authority) before the later of May 1, 2003 or the date on which the unit resumes operation.
  - (ii) A unit exempt under 40 CFR 97.5 and located at a source that is required, or but for this exemption would be required, to have a non-title V permit shall not resume operation unless the NOx authorized account representative of the source submits a complete NOx Budget permit application under § 97.22 for the unit not less than 18 months (or such lesser time provided by the permitting authority) before the later of May 1, 2003 or the date on which the unit is to first resume operation.
- (6) On the earlier of the following dates, a unit exempt under paragraph (b) of 40 CFR 97.5 shall lose its exemption:
  - (i) The date on which the NOx authorized account representative submits a NOx Budget permit application under paragraph (c)(5) of 40 CFR 97.5;
  - (ii) The date on which the NOx authorized account representative is required under paragraph (c)(5) of 40 CFR 97.5 to submit a NOx Budget permit application; or
  - (iii) The date on which the unit resumes operation, if the unit is not required to submit a NOx permit application.
- (7) For the purpose of applying monitoring requirements under subpart H of this part, a unit that loses its exemption under 40 CFR 97.5 shall be treated as a unit that commences operation or commercial operation on the first date on which the unit resumes operation.
- (8) A unit that is exempt under 40 CFR 97.5 is not eligible to be a NOx Budget opt-in unit under subpart I of this part.

### Certification

I am authorized to make this submission on behalf of the owners and operators of the NOx Budget sources or NOx Budget units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

Name
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Signature	Date
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## **Appendix B**

### **VADEQ Support and Boilerplate Permit Documents for the NOx Allowance Budget Trading Program**

- NOx Allowance Budget Trading Program Implementation Schedule
- Initial Electric Generation Unit Allowance Allocations for Virginia (2004-2008)
- Initial Non-Electric Generation Unit Allowance Allocations for Virginia (2004-2008)
- VADEQ Guidance Memo 02-1006, Permit Application, September 6, 2002
- Boilerplate Letter - Notice to Owners of Affected Units on their Permit Application Responsibilities
- Boilerplate Letter – 10 and 60-day permit application notice
- Boilerplate – Article 3 Federal Operating Permit
- Boilerplate – Article 5 State Operating Permit, NOx Budget Trading Program



## Implementation of NOx SIP Call Budget Trading Program

### Preliminary Schedule of Events, Second Draft

March 25, 2002	Final draft of Chapter 140, NOx Budget Trading Program published in Virginia Register.
April 24, 2002	Public comment period on proposed Budget Trading Program closes.
May 1, 2002	VADEQ and USEPA publish final list of affected sources in Virginia and their allotment of allowances for 2004-2008.
June 17, 2002	Air Board passes Chapter 140. Regulation is published in the Virginia Register.
July 1, 2002	Affected sources authorized representatives to submit the Early Reduction Credits reserve credit (for 2002 and 2003) by this date. All CEM monitoring is to be in full compliance by May 1, 2002 to include submittal of compliance plans.
July 16, 2002	Chapter 140 NOx Budget Trading Program comes into effect.
September 1, 2002	VADEQ will complete the ERC reserve issuance process by this date (Date is set by law.)
September 5, 2002	Guidance memo on NOx Budget Trading Program Permit Applications published and issued to the regional offices.
October 1, 2002	Notice to all affected sources requiring the submittal of permit applications and Trading Account documents issued by the regional offices.
October 1, 2002	Certification of CEM systems for units requesting ERCs to be completed by VADEQ within 120-days after Affected source has submitted a reserve notice (July 1, 2002).
November 1, 2002	Initial draft of ASOP-11, NOx Budget Trading Program covering monitoring, and certification prepared. Draft of Air Permit Guidance document to be completed as well.
November 1, 2002	Deadline for regional offices to receive permit applications from all affected sources.
November 15, 2002	Regional offices send "receipt of permit application notice" to all affected sources with 10-days of receipt or no later than this date.
November 15, 2002	Regional offices will send original Trading Account Applications on behalf of the affected sources to the USEPA Region III, if this action is not already completed by the owners.
November 15, 2002	Final Draft of ASOP-11 published for review by regional offices. ASOP-11 will cover emission monitoring, CEM certification, and record keeping and reporting requirements for the program. The accompanying permit guidance will include boilerplates and guidelines for all documentation required for the program.
During the period of November 15-22, 2002	NOx SIP Call permitting and compliance requirements training sessions to be held in Piedmont and Roanoke.
December 16, 2002	Final Version of ASOP-11 and Permit Guidance published in DEQnet.
January 3, 2003	Regional offices issue a permit application 60-day completeness review notice to affected sources no later than this date. Copy of notice to be submitted to USEPA Trading program division.

January 3, 2003	Notice issued to all affected sources formally requesting CEM Certification Protocols and Emission Monitoring Plans no later than this date.
March 15, 2003	Regional offices receive CEM Certification Protocol and Emission Monitoring Plans from all affected sources by the date.
May 1, 2003	Provisional Certification Process on CEM systems to be completed and notices sent to affected sources by this date. All existing sources will have their CEM system operating by this date. (Date is set by law.)
May 1, 2003	Regional offices will have 120-days from this date to complete review of Certification of all CEM systems.
After May 1, 2003	Final NOx Budget Trading permit approvals to be issued after approval of CEM certification. Permit will be attached as a section within federally enforceable permit. All permits for sources that are or will be operating will become effective on May 31, 2004.
May 31, 2003	CEM monitoring and recording of emissions in support of NOx Budget Trading program too officially begin no later that this date.
July 31, 2003	First Quarterly report for May through June 2003 to be submitted by the affected sources no later than this date.
September 1, 2003	Certification of CEM systems for all affected sources to be approved or disapproved no later than this date. Notices of Certification approval to be sent to all owners and USEPA representatives. (Date is set by law.)
September 30, 2003	Second Quarterly report for July through September 2003 to be submitted. This report will include summary of total NOX emissions for the entire control period.
October 15, 2003	Notify all new sources that will operate in 2004 that they must formally request NOx allowances by December 31, 2002.
December 31, 2003	All requests for NOx allowances from new affected sources is to be received for the 2004 control period. (Date is set by law.)
January 31, 2004	Quarterly report for October through December 2003 to be submitted. This report marks the beginning of the first year of formal collected data.
February 1, 2004	Affected sources applying for ERCs for 2002 and 2003 will submit verification that it has met all requirements by this date. (Date is set by law.)
February 1, 2004	Affected sources not in compliance may request an extension of May 31 deadline by applying for direct distribution credits DDCs by this date. (Date is set by law.)
April 1, 2004	VADEQ will allot ERCs to the affected sources that have provided verification that they have met the requirements. (Date is set by law).
March 31, 2004	Second Quarterly CEM monitoring report to be submitted for the months January through March 2004.
May 31, 2004	NOx Budget Trading Program first official control period begins. (Date is set by law.) All approved Budget Permits become effective on this date.
May 31, 2004	VADEQ will allot DDCs to affected sources that have applied for an extension of the May 31 compliance deadline.
July 31, 2004	Third Quarterly report for the period April through June 2004 to be submitted.

September 30, 2004	First official control period ends. (Date is set by law.)
October 15, 2004	Notification to owners of new Sources that they are to request NOx allowances for 2005 Control Period by December 31, 2004.
October 31, 2004	Combined Fourth Quarterly and Annual Summary report to be submitted. The report will include the period July through September 2004. Total NOX emissions will be included for the past 12-months and for the 2004 Control Period.
November 1, 2004	All NOx trading for the 2004 control period is to be completed by this date. (This date is set by law.) NOx trading can continue for next year's control period.
November 30, 2004	Compliance Certification Report to be submitted by all affected sources to the regional offices for the 2004 Control Period (This date is set by law.)
December 31, 2004	All requests for NOx allowances from new affected sources is to be received for the 2005 control period. (Date is set by law.)
May 1, 2005 through September 30, 2005	NOx control period for second year of enforcement. Quarterly reports and compliance documents to follow the same schedule as for 2004.
April 1, 2006	Recalculation of NOx allotments for the 2009 through 2013 control periods is to be completed. This new list will include new affected sources. (This date is set by law.)

List based on facilities operating by May 1998.  
Final total of allowances issued in May 2002

17091

**INITIAL NON-ELECTRIC GENERATION UNIT ALLOWANCE ALLOCATIONS FOR VIRGINIA  
(2004 TO 2008)**

List based on facilities operating by May 1998.

Final total of allowances issued in May 2002

REGIS	NAME	STACK	POINT	SEG	Allowance Unadjusted	Allowance Adjusted
20304	CELANESE ACETATE LLC	001	001	#7	75	154
20304	CELANESE ACETATE LLC	002	002	1	27	55
20328	WESTVACO CORPORATION BLEACHED BOARD DIV	001	001	1	143	293
20328	WESTVACO CORPORATION BLEACHED BOARD DIV	002	002	1&2	77	158
20328	WESTVACO CORPORATION BLEACHED BOARD DIV	003	003	1&2	118	243
20328	WESTVACO CORPORATION BLEACHED BOARD DIV	004	004	1	209	429
20328	WESTVACO CORPORATION BLEACHED BOARD DIV	005	005	1	43	87
20328	WESTVACO CORPORATION BLEACHED BOARD DIV	024	011	1	34	70
30240	DAN RIVER INC (SCHOOLFIELD DIV)	003	003	01	49	100
30389	GEORGIA-PACIFIC CORP	001	002	01	43	89
30389	GEORGIA-PACIFIC CORP	005	005	04	50	103
40126	ST LAURENT PAPER PRODUCTS CORP	002	002	1-5	143	292
50232	HONEYWELL INTERNATIONAL INC	100	10A	01	0	0
50232	HONEYWELL INTERNATIONAL INC	101	10B	01	98	200
50232	HONEYWELL INTERNATIONAL INC	102	10C	01	76	156
60214	INTERNATIONAL PAPER - FRANKLIN MILL	001	003	01	149	306
60214	INTERNATIONAL PAPER - FRANKLIN MILL	012	017	01	52	107
60214	INTERNATIONAL PAPER - FRANKLIN MILL	022	029	1&2	128	262
					<b>1514</b>	<b>3104</b>
<b>NEW SOURCE SET-ASIDE</b>						<b>1000</b>
						<b>4104</b>

## **MEMORANDUM**

**TO:** Regional Directors

**FROM:** John M. Daniel, Jr., P.E., DEE  
Director, Division of Air Program Coordination

**SUBJECT:** Memo Number 02-1006. Nitrogen Oxides Budget Trading Program State Implementation Plan - Permit Application

**DATE:** September 6, 2002

**Copies:** Bob Burnley, Air Permit Managers

**REFERENCES:** Code of Virginia, Applicable State and Federal Statutes and Regulations

### **I. PURPOSE:**

This policy sets forth the schedule for the initiation of permit applications for the Nitrogen Oxides Budget Trading Program State Implementation Plan (NO<sub>x</sub> SIP Call) by November 1, 2002.

### **II. BACKGROUND:**

EPA made the determination between 1998 and 2000 that sources in 19 states and the District of Columbia emitted NO<sub>x</sub> in amounts that significantly contribute to nonattainment of the ozone standard in one or more downwind states. EPA also required that each of the affected upwind states submit revisions to their State Implementation Plans prohibiting those amounts of NO<sub>x</sub> emissions that significantly contribute to downwind air quality problems. Virginia was included as one of the upwind states.

The rulemaking, known as the NO<sub>x</sub> SIP Call Rule, 40 CFR 51.121, includes statewide NO<sub>x</sub> emissions budget levels that each state must achieve by the year 2007. The rule also identifies specific source categories that are covered by the budget; these include electric generating units with a nameplate capacity greater than 25 MWe and non-electric generating units above 250 MMBtu/hr. Failure to achieve the budget will result in a Federal Implementation Plan, which EPA has promulgated as 40 CFR Part 97 (65 FR 2727, January 18, 2000). Recent court action has revised the compliance deadline for initiation of the NO<sub>x</sub> Trading Program to May 31, 2004.

The final version of the Nox SIP Call regulation was published in the Virginia Register on June 17, 2002. The regulations came into effect 30-days later on July 16, 2002. As described in Article 3 of this regulation (9 VAC 5-140-200 to 250) all facilities matching the specific source categories (9 VAC 5-140-40) applicable to the NO<sub>x</sub> SIP Call must complete an application for a NO<sub>x</sub> Trading Budget permit. To insure meeting the May 31, 2004 compliance deadline, the

Virginia Department of Environmental Quality (VADEQ) has set a November 1, 2002 date for receipt of initial permit applications.

### **III. STATEMENT OF POLICY:**

To meet the goal of receiving all NO<sub>x</sub> Trading Budget permit applications by Friday, November 1, 2002 the following tasks will need to be performed:

- All currently operating facilities meeting the definitions of the NO<sub>x</sub> SIP Call specific source categories will be given written notification of their obligation to submit an application by Friday, September 27, 2002. The notification to the owners will follow the format of the attached boilerplate letter. All facilities included in the USEPA allowance allocation lists for Electrical Generation Units (EGU) and Non EGU sources (see attached lists) will be contacted. All new facilities or proposed facilities that are applying for permits that meet the definitions included within the specific source categories (9 VAC 5-140-40) will also be notified of their obligations.
- A description of the Information required for a NO<sub>x</sub> Budget Trading application is provided in 9 VAC 5-140-220. To meet the requirements of this regulation, the permit application will consist of three USEPA forms: the NO<sub>x</sub> Budget Permit Application, the General Account Information form (EPA Form 7620-15) and the Account Certificate of Representation (EPA Form 7620-16). A copy of the Permit Application is attached. Masters of the General Account form and the Certificate of Representation documents are available on the Clean Air Market web site:  
<http://www.epa.gov/airmarkt/fednox/index.html>.
- All Permit Applications, General Account Information applications and Account Certificate of Representation forms will be completed by the owners/operators or their consultants and delivered to the regional offices by Friday, November 1, 2002.
- The regional offices will notify the facilities that they have received the documents within 10 business days. The regional offices will have 60-days after receiving the application to review the documents for completeness and notify the owners of their findings.
- After the regional office representatives have determined that the documents are complete they will notify the owners/operators or their consultants. The regional office will submit the original signed copies of the General Account Information and Certificate of Representation forms to the USEPA within 10 business days of receipt or no later than November 15, 2002. The original documents will be sent to USEPA NO<sub>x</sub> Budget Trading Program (6204N) Attention NO<sub>x</sub> Allowance Tracking System, 1200 Pennsylvania Avenue, NW, Washington D.C., 20460. After submission of the applications, the USEPA will issue a NO<sub>x</sub> Allowance Tracking System (NATS) account number and Authorized Account Representative (AAR) identification number to the facility. The owner/operator will then provide this information to the regional office.

Any questions or comments from the VADEQ Regional Office representatives can be directed to Charles Turner (OAPP) at 804-698-4023.

APPROVED:

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John M. Daniel, Jr., Director  
Air Division

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Robert G. Burnley, Director  
Program Support and Evaluation



(REGIONAL LETTERHEAD)

(DATE)

<CONTACT NAME AND ADDRESS>

Location: \_\_\_\_\_

Registration No: \_\_\_\_\_

AIRS ID No: \_\_\_\_\_

RE: NO<sub>x</sub> Allowance Budget Trading Program Permit Application

Dear Mr. / Ms. <Contact Name>:

On July 16, 2002 the Commonwealth of Virginia response to the USEPA State Implementation Plan requirement to develop a NO<sub>x</sub> Allowance Budget Trading Program (NO<sub>x</sub> SIP Call) came into effect. These regulations are contained in Title 9 of the Virginia Administrative Code 5-140.

The rule also identifies specific source categories (9 VAC 5-140-40) that are covered by the budget; these include electric generating units with a nameplate capacity greater than 25 MWe and non-electric generating units above 250 MMBtu/hr. Facilities with sources that match these definitions must enter the NO<sub>x</sub> Allowance Budget Trading Program to continue to operate. As part of this program affected sources must be issued a NO<sub>x</sub> SIP Call permit.

Our review has shown that <FACILITY NAME> was included in the USEPA list of NO<sub>x</sub> SIP Call units, or has since applied for an air quality permit for a new air emission source that does meet the specific source category. You must therefore apply for a NO<sub>x</sub> SIP Call permit.

To apply for NO<sub>x</sub> SIP Call permit please complete the attached USEPA forms: the NO<sub>x</sub> Budget

Permit Application, the General Account Information form (EPA Form 7620-15) and the Account Certificate of Representation (EPA Form 7620-16). Electronic copies of the account

documents are available on the Clean Air Market website

(<http://www.epa.gov/airmarkt/fednox/index.html>) . Completed applications must be submitted to this office no later than Friday, November 1, 2002.

If you have any questions concerning this application, please contact <permit manager's name> at <telephone number>.

Sincerely,

---

Regional Permit Manager

(reg dir) / (permit engr) / (typist) / (file name)

Attachment: USEPA Form 7620-15  
USEPA Form 7620-16

cc: Director, OAPP (electronic file submission)  
Manager, Data Analysis (electronic file submission)

{DATE}

Mr. / Ms. \_\_\_\_\_  
Contact's Title \_\_\_\_\_  
Company Name \_\_\_\_\_  
Address Line 1 \_\_\_\_\_  
Address Line 2 \_\_\_\_\_  
Address Line 3 \_\_\_\_\_

DEQ Registration Number: \_\_\_\_\_  
NATS number: \_\_\_\_\_  
ORIS code: \_\_\_\_\_

Dear Mr./ Ms. \_\_\_\_\_ :

On {date}, 2002, we received from you the cover letter dated {date}2002, NOx Budget Permit Application and the Account Certificate of Representation for the {facility name} located in \_\_\_\_\_ County, Virginia. On {date}, 2002, we received the facsimile of the General Account Information. The information was submitted in accordance with 9 VAC 5 Chapter 140, for the following affected units:

Company ID.	Unit ID# 1	_____	County, VA
Company ID. .	Unit ID# 2	_____	County, VA

The information was submitted in a timely manner, as contemplated in 9 VAC 5-140-200 B.1.b. In addition, our review of the information indicates the application is administratively complete, in accordance with 9 VAC 5-140-220.

A copy of this letter and a copy of the information you submitted will be provided to the United States Environmental Protection Agency. If we need additional information to complete our analysis of the permit application, it will be requested at a later date. You can contact me at (\_\_\_\_) \_\_\_\_ - \_\_\_\_ if you have any questions.

Sincerely,

\_\_\_\_\_  
Engineering Manager, Air Permitting

cc: Renee McLaughlin, EPA (w/copies)

This document has been formatted to be printed double-sided.

The following version of the “Article 3 Federal Operating Permit” boilerplate was edited on Friday October 24, 2003. This edition replaces all earlier versions of the “Acid Rain Operating Permit” or “Article 3 FOP” boilerplates to include the January 23, 2003 document that was provided in the original Permit Writer’s Guide.

Several minor alterations and corrections to the text have been made since the last revision. None of these corrections represent a significant alteration.

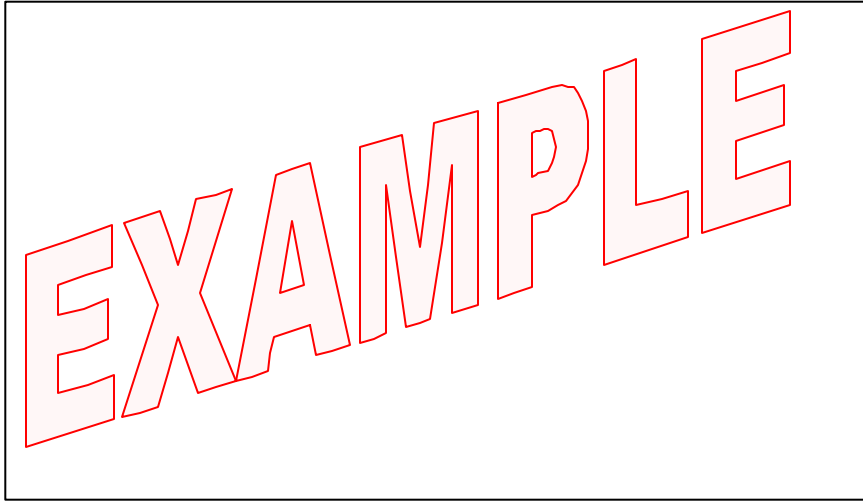
This document has been altered to match the latest version of the Federal Operating Permit Article 1 boilerplate, dated July 8, 2003.

Frank Burbank  
804-698-4115

Edited on Friday, October 24, 2003

[Facility Name]  
Permit Number: XRO00000

**Blank Page**



Edited on Friday, October 24, 2003

[Facility Name]  
Permit Number: XRO00000

**General Instructions:** information and editorial descriptions are provided within brackets, and in Red Font. These blocks are to be deleted prior to issuing of the permit.

**Text in Blue Font** are areas to be completed by the permit writer which are either optional or where they are provided more than one choice.

**[DEQ Letterhead]**

**Article 3  
Federal Operating Permit**

This permit is based upon Federal Clean Air Act acid rain permitting requirements of Title IV, federal operating permit requirements of Title V; and Chapter 80, Article 3 and Chapter 140 of the State Air Pollution Control Board Regulations for the Control and Abatement of Air Pollution. Until such time as this permit is reopened and revised, modified, revoked, terminated or expires, the permittee is authorized to operate in accordance with the terms and conditions contained herein. This permit is issued under the authority of Title 10.1, Chapter 13, 10.1-1322 of the Air Pollution Control Law of Virginia. This permit is issued consistent with the Administrative Process Act, 9 VAC 5-80-360 through 9 VAC 5-80-700, and 9 VAC 5-140-10 through 9 VAC 5-140-900 {the Chapter 140 citations will only be included if the facility is a NOx emission trading source} of the State Air Pollution Control Board Regulations for the Control and Abatement of Air Pollution of the Commonwealth of Virginia.

Authorization to operate a Stationary Source of Air Pollution as described in this permit is hereby granted to:

Permittee Name:	[name]
Facility Name:	[name]
Facility Location:	[street] [city, state]
VA Registration Number:	[Registration no.] [XRO00000 (X = RO; 00000=registration #)]

This permit includes the following programs:

**Federally Enforceable Requirements - Clean Air Act (Sections I through IX)**

Edited on Friday, October 24, 2003

[Facility Name]  
Permit Number: XRO00000

### **Federally Enforceable Requirements - Title IV Acid Rain (Section X)**

### **Federally Enforceable Requirements - NO<sub>x</sub> Budget Trading Requirements (Section XI)**

### **State Only Enforceable Requirements (Section XII)**

{Optional text}

[The permit application submitted for this source [including the attached NO<sub>x</sub> compliance plan][ and NO<sub>x</sub> Averaging Plan][, as corrected by the Commonwealth of Virginia Department of Environmental Quality] has been attached to this document. ({number of pages}).

The Phase II Acid Rain Permit (Effective Date \_\_\_\_\_) has been attached to this document. ({number of pages}). ]

**JANUARY 1, 20XX**

Effective Date

**DECEMBER 31, 20XX plus four years**

Expiration Date

NOTE: [Acid Rain annual reporting and emission results are to be reported for each calendar year. Control Period emission results are not to be divided between separate yearly reports or consecutive editions of operating permits. Hence the requirement for the permit to become effective on January 1<sup>st</sup> and expire on December 31<sup>st</sup>. In most cases, the permit will become effective on January 1 of the year after the permit is approved.]

{The maximum effective period of an Federal Operating Permit Article 3 will be five years. This effective period can be set for a shorter period of time. For example, if a valid Phase II Acid Rain Permit has been already issued to the facility, this permit's valid period will be timed to expire on the same day as the existing Phase II.}

Robert G. Burnley  
Director, Department of Environmental Quality

\_\_\_\_\_  
Signature - Date

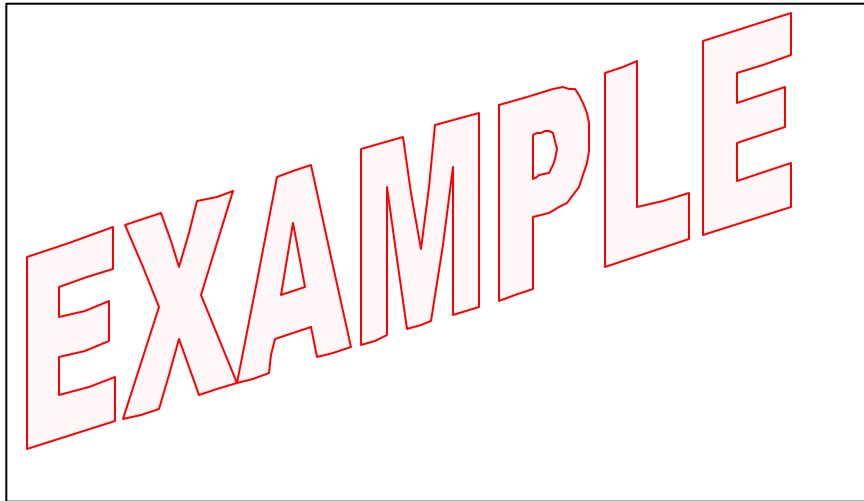
Table of Contents, [2 pages](#)

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Edited on Friday, October 24, 2003

[Facility Name]  
Permit Number: XRO00000

Permit Conditions, \_\_\_\_\_ pages





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[Facility Name]  
Permit Number: XRO00000

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## I. Facility Information

### Permittee Information (owner, operator, or company name)

{insert permittee name}  
{Insert Mailing Address here}  
{Insert City, State, Zip here}

### Responsible Official

{Official's Name}  
{Official's Title}

It has been recently confirmed that the USEPA has combined aspects of the databases for the Acid Trading Program (ATS) and the NO<sub>x</sub> Trading Program (NATS). Presuming that the same individual has been named as both the Designated Representative and the Authorized Account Representative the ATS ID and the AAR ID numbers will be the same value and does not have to be entered twice.

### Acid Rain Designated Representative (if different than above)

{Official's Name}  
{Official's Title}  
{USEPA ATS AAR ID number} [example]

{The Acid Rain Representative and Authorized Account Representative's ID numbers must be provided when applicable.}

### NO<sub>x</sub> Budget Trading Authorized Account Representative (if applicable and different than above)

{Official's Name}  
{Official's Title}  
{USEPA AAR ID number}

### Facility ID [ The site's actual location if different than Permittee's address ]

{insert facility name}  
{Insert street address or location here}  
{Insert City, State, Zip here}

### Facility Contact person (if different than Responsible Official)

{Contact Name}  
{Contact Title}  
{Phone Number}

**AFS Identification Number:** 51-{county code} – {plant code} [previously known as the  
AIRS Identification Number. ]

**ORIS Code and/or EIA Facility ID** (for non-EGU units) : xxxxx

**NATS Facility Identification Number:** xxxxxx

**Facility Description:** SIC Code(s) [number] and NAISC ID Code [use both the SIC and NAISC  
IDs on all future permits] – {Enter description of what the activities of the plant are. Include a  
description consistent with each SIC –NAISC Code applicable to the plant. The description  
should also include each alternate operating scenario applied for by the applicant and provided  
for in the permit.}

EXAMPLE

## II. Emission Units

Equipment to be operated consists of: [ Shaded areas are for instructional purposes and are not intended to be included in the draft or final permit. Insert additional rows as needed. Include dashes ( - - ) or N/A for any inapplicable sections. ]

Emission Unit ID	Stack ID	Emission Unit Description	Size/Rated Capacity	Pollution Control Device Description (PCD)	PCD ID	Pollutant Controlled	Applicable Permit Date *
Provide the emission unit reference number.	Provide the stack number for the emission unit.	Provide a brief description of unit including manufacturer's name, model and date of construction if known.	Size and maximum rated capacity in units consistent with the standard or industry convention.	Provide brief description of control device including manufacturer's name, model number and date of construction if known.	Provide the PCD identification number.	Identify pollutant controlled.	Date of current permit and amendments that did not supersede permit.
<b>Fuel Burning Equipment / Utility Units</b>							
<b>Manufacturing Process Unit A</b>							
<b>Manufacturing Process Unit B</b>							

\* Note: If more than one date is included, please add footnote clarifying which date is for permit and which dates are for amendments.

### III. Fuel Burning Equipment Requirements - (emission unit ID#)

*Note: { Include a permit condition number in the regulatory citation of each applicable requirement that is in a minor NSR permit. Regulatory citations may be different for your particular emission unit. For example a new source will have different citations than an existing source. }*

#### A. Limitations

1. \_\_\_\_\_ emissions from the \_\_\_\_\_ boilers shall be controlled by the use of \_\_\_\_\_.  
(9 VAC 5-80-490 B & C and Condition \_ of x/x/xx Permit).
2. The approved fuels for the \_\_\_\_\_ boilers are natural gas and distillate oil. Distillate oil is defined as fuel oil that meets the specifications for fuel oil numbers 1 or 2 under the American Society for Testing and Materials, ASTM D396-78 "Standard Specification for Fuel Oils". A change in the fuels may require a permit to modify and operate.  
(9 VAC 5-80-490 B & C and Condition \_ of x/x/xx Permit)
3. The maximum sulfur content of the oil to be burned in the boilers shall not exceed \_\_\_\_\_ percent by weight per shipment. (40 CFR 60.\_\_\_\_\_) [Provide applicable performance standard from 40 CFR 60]  
([9 VAC 5-50-410], (9 VAC 5-80-490 B & C, [and Condition \_ of x/x/xx Permit)
4. The \_\_\_\_\_ shall not operate more than \_\_\_\_\_ hours per \_\_\_\_\_.  
(9 VAC 5-80-490 B & C, and Condition \_ of x/x/xx Permit)
5. The \_\_\_\_\_ boiler(s) shall consume no more than \_\_\_\_\_ million cubic feet of natural gas and \_\_\_\_\_ gallons of distillate oil per year, calculated as the sum of each consecutive twelve (12) month period.  
(9 VAC 5-80-110 B & C or 9 VAC 5-80-490 B & C, and Condition \_ of x/x/xx Permit)
6. Emissions from the operation of the \_\_\_\_\_ boiler(s) shall not exceed the limits specified below: {Only one of the three quoted regulations shall be applied to each listed pollutant}

Total Suspended Particulate	Lbs./hr	Tons/year	(9 VAC 5-50-260, 270, or 280)
PM-10	Lbs./hr	Tons/year	(9 VAC 5-50-260, 270, or 280)
Sulfur Dioxide	Lbs./hr	Tons/year	(9 VAC 5-50-260, 270, or 280)
Nitrogen Oxides (as NO <sub>2</sub> )	Lbs./hr	Tons/year	(9 VAC 5-50-260, 270, or 280)
Carbon Monoxide	Lbs./hr	Tons/year	(9 VAC 5-50-260, 270, or 280)
Volatile Organic Compounds	Lbs./hr	Tons/year	(9 VAC 5-50-260, 270, or 280)

(9 VAC 5-80-490 B & C, and Condition \_ of x/x/xx Permit)

7. Visible emissions from each of the \_\_\_ boiler stack(s) shall not exceed \_\_\_\_\_ percent opacity except during one six-minute period in any one hour in which visible emissions shall not exceed \_\_\_\_\_ percent opacity.

([ 9 VAC 5-40-80 or 9 VAC 5-50-80] and (9 VAC 5-80-490 B & C)

8. Boiler emissions shall be controlled by proper operation and maintenance. Boiler operators shall be trained in the proper operation of all such equipment. Training shall consist of a review and familiarization of the manufacturer's operating instructions, at minimum.

(9 VAC 5-80-490 B & C, and Condition \_ of x/x/xx Permit)

[The following condition is optional and only required by the NOx Budget Trading Program requirements. This condition is to be included when one or more of the fuel burning equipment will be listed as 25-ton exemption units under the NOx SIP Call. ]

9. The unit has been classified as a 25-ton Exempted Unit under the NOx Budget Trading Program. The facility has agreed to limit NOx emissions for the unit to less than \_\_\_\_\_ (a value of 25 tons or less) tons during the NOx Control Period and less than 50 tons per year.

To meet this emission limitation the unit will be limited to consuming (gas or fuel oil) only. Based on the maximum rated heat input of the unit (\_\_\_\_\_mmBTU/hr) multiplied by the highest default NOx emission rate (\_\_\_\_\_lbs./mmBTU) the\_\_\_\_(Unit ID)\_\_\_\_ shall not operate more than\_\_\_\_\_ hours per NOx Control Period, and no more than \_\_\_\_\_ hours per year.  
(9 VAC 5-140-40 B)

**B. Monitoring [ or Monitoring and Recordkeeping ] [ Optional Section ]**

{List all instrumental monitoring systems and routine visual inspections required to insure practical enforceability. Examples follow}

[ - Fabric Filters: The fabric filter shall be equipped with a device to continuously measure the differential pressure drop across the fabric filter. The device shall be installed in an accessible location and shall be maintained by the permittee such that it is in proper working order at all times.]

[ - Cyclones: An annual internal inspection shall be conducted on the cyclone by the permittee to insure structural integrity.]

[ - Scrubbers: The scrubber shall be equipped with a flow meter [and a device to continuously measure the differential pressure through the scrubber.]

[other control devices]

(9 VAC 5-80-490 E and Condition \_ of x/x/xx Permit)

**C. Recordkeeping**

1. The permittee shall obtain a certification from the fuel supplier with each shipment of distillate oil. Each fuel supplier certification shall include the following:

- a. The name of the fuel supplier,
  - b. The date on which the oil was received,
  - c. The volume of distillate oil delivered in the shipment,
  - d. A statement that the oil complies with the American Society for Testing and Materials specifications for fuel oil numbers 1 and 2, and
  - e. The sulfur content of the oil.  
([9 VAC 5-50-410], 9 VAC 5-80-490 F, and Condition \_\_\_ of x/x/xx Permit)
2. The permittee shall maintain records of all emission data and operating parameters necessary to demonstrate compliance with this permit. The content of and format of such records shall be arranged with the Director, XXXXX Region. These records shall include, but are not limited to:
- a. The daily and annual throughput of natural gas (in million cubic feet) and distillate oil (in 1000 gallons) for the two boilers. The annual throughput shall be calculated as the sum of each consecutive twelve (12) month period.
  - b. All fuels supplier certifications.
  - c. These records shall be available on site for inspection by the DEQ and shall be current for the most recent five (5) years.  
([9 VAC 5-50-50] and 9 VAC 5-80-490 F)
3. The permittee shall maintain records of the required training including a statement of time, place and nature of training provided. The permittee shall have available good written operating procedures and a maintenance schedule for the boiler. These procedures shall be based on the manufacturer's recommendations, at minimum. All records required by this condition shall be kept on site and made available for inspection by the DEQ.  
(9 VAC 5-80-490 C and Condition \_ of x/x/xx Permit)

#### **D. Testing**

1. [The permitted facility shall be constructed so as to allow for emissions testing at any time using appropriate methods. Upon request from the Department, test ports will be provided at the appropriate locations.  
([9 VAC 5-40-30 or 9 VAC 5-50-30] and 9 VAC 5-80-490 E & F )]
2. If testing is conducted in addition to the monitoring specified in this permit, the permittee shall use the following test methods in accordance with procedures approved by the DEQ as follows:

{Only the rows of the following table for those pollutants that have permit restricted emission limits applied have to been listed in the permit itself.}.



Pollutant	Test Method (40 CFR Part 60, Appendix A)
VOC	EPA Methods 18, 25, 25a
VOC	EPA Methods 24, 24a
NOx	EPA Method 7
SO2	EPA Method 6
CO	EPA Method 10
PM/PM10	EPA Methods 5, 17
Visible Emission	EPA Method 9

(9 VAC 5-80-490 E)

#### E. Reporting

The permittee shall submit fuel quality reports to the Director of the VADEQ's XXXXX Regional Office, within 30 days after the end of each calendar quarter. If no shipments of distillate oil were received during the calendar quarter, the quarterly report shall simply consist of a statement that no oil was received during the calendar quarter. If distillate oil was received during the calendar quarter the reports shall include:

1. The dates of the fuel deliveries during the calendar quarter,
2. A copy of all fuel supplier certifications for all shipments of distillate oil received during the calendar quarter or a quarterly summary from each fuel supplier that includes the information specified in \_\_\_\_\_ for each shipment of distillate oil, and
3. A signed statement from the owner or operator of the facility that the fuel supplier certifications or summaries of fuel supplier certifications represent all of the distillate oil burned or received at the facility.  
 ([9 VAC 5-50-50 E], and 9 VAC 5-80-490 F )

#### IV. Process Equipment Requirements - (Emission Unit ID#)

Note: {Include a permit condition number in the Regulatory citation of each applicable requirement that is in a minor NSR permit. Regulatory citations may be different for your particular emission unit. For example a new source will have different citations than an existing source.}

##### A. Limitations

1. \_\_\_\_\_ emissions from the \_\_\_\_\_ shall be controlled by \_\_\_\_\_. The \_\_\_\_\_ shall be provided with adequate access for inspection.  
 (9 VAC 5-80-490 C, and Condition \_ of x/x/xx Permit )
2. The \_\_\_\_\_ shall [consume or process] no more than \_\_\_\_\_ per \_\_\_\_\_, calculated as the sum of each consecutive \_\_\_\_\_ period.  
 (9 VAC 5-80-490 B, and Condition \_ of x/x/xx Permit)

3. The \_\_\_\_\_ shall not operate more than \_\_\_\_\_ hours per \_\_\_\_\_.  
(9 VAC 5-80-490 B, and Condition \_ of x/x/xx Permit)
4. The annual [throughput or production] of \_\_\_\_\_ shall not exceed \_\_\_\_\_, calculated monthly as the sum of each consecutive 12 month period.  
(9 VAC 5-80-490 B, and Condition \_ of x/x/xx Permit)
5. Visible emissions from the \_\_\_\_\_ process shall not exceed \_\_\_\_\_ percent opacity except during one six-minute period in any one hour in which visible emissions shall not exceed \_\_\_\_\_ percent opacity.  
(9 VAC [5-40-80 or 5-50-80], and 9 VAC 5-80-490 B)
6. Emissions from the operation of the \_\_\_\_\_ process shall not exceed the limits specified below: (Only one of the three quoted regulations shall be applied to each listed pollutant)

Total Suspended Particulate	Lbs./hr	Tons/year	(9 VAC 5-50-260, 270, or 280)
PM-10	Lbs./hr	Tons/year	(9 VAC 5-50-260, 270, or 280)
Sulfur Dioxide	Lbs./hr	Tons/year	(9 VAC 5-50-260, 270, or 280)
Nitrogen Oxides (as NO <sub>2</sub> )	Lbs./hr	Tons/year	(9 VAC 5-50-260, 270, or 280)
Carbon Monoxide	Lbs./hr	Tons/year	(9 VAC 5-50-260, 270, or 280)
Volatile Organic Compounds	Lbs./hr	Tons/year	(9 VAC 5-50-260, 270, or 280)

(9 VAC 5-80-490 B and Condition \_ of x/x/xx Permit)

**B. Monitoring [ or Monitoring and Recordkeeping ] [ Optional ]**

{List all instrumental monitoring systems and routine visual inspections required to insure practical enforceability. Examples follow}

[ - Fabric Filters: The fabric filter shall be equipped with a device to continuously measure the differential pressure drop across the fabric filter. The device shall be installed in an accessible location and shall be maintained by the permittee such that it is in proper working order at all times.]

[ - Cyclones: An annual internal inspection shall be conducted on the cyclone by the permittee to insure structural integrity.]

[ - Scrubbers: The scrubber shall be equipped with a flow meter [and a device to continuously measure the differential pressure through the scrubber.]

[other control devices]

(9 VAC 5-80-490 E, and Condition \_ of x/x/xx Permit)

### C. Recordkeeping [ Optional ]

The permittee shall maintain records of all emission data and operating parameters necessary to demonstrate compliance with this permit. The content and format of such records shall be arranged with the Director, XXXXX Region. These records shall include, but are not limited to:

1. Annual throughput of \_\_\_\_\_, calculated monthly as the sum of each consecutive twelve (12) month period.
2. Hours of operation of the \_\_\_\_\_.

These records shall be available on site for inspection by the DEQ and shall be current for the most recent five (5) years.

([9 VAC 5-50-50] 9 VAC 5-80-490 F and Condition \_ of x/x/xx Permit)

### D. Testing

1. [The permitted facility shall be constructed so as to allow for emissions testing at any time using appropriate methods. Upon request from the Department, test ports will be provided at the appropriate locations.

([9 VAC 5-40-30 or 9 VAC 5-50-30] and 9 VAC 5-80-490 E & F)]

2. If testing is conducted in addition to the monitoring specified in this permit, the permittee shall use the following test methods in accordance with procedures approved by the DEQ as follows:

{Only the rows of the following table for those pollutants that have permit restricted emission limits applied have to be completed}.

Pollutant	Test Method (40 CFR Part 60, Appendix A)
VOC	EPA Methods 18, 25, 25a
VOC	EPA Methods 24, 24a
NOx	EPA Method 7
SO2	EPA Method 6
CO	EPA Method 10
PM/PM10	EPA Methods 5, 17
Visible Emission	EPA Method 9

(9 VAC 5-80-490 E & F)

### E. Reporting [ Optional ]

Include this sub section if required. Text will follow the format of Section III E.

## V. Facility Wide Conditions

Note: {Include a permit condition number in the Regulatory citation of each applicable requirement that is in a minor NSR permit. Regulatory citations may be different for your particular emission unit. For example a new emission source will have different citations than an those of an existing emission source.}

### A. Limitations

1. \_\_\_\_\_ emissions from the facility shall not exceed \_\_\_\_\_ tons per year, calculated monthly as the sum of each consecutive twelve (12) month period.  
(9 VAC 5-80-1180 9 VAC 5-50-260 or 270 or 280, 9 VAC 5-80-490 B, and Condition \_ of x/x/xx Permit)
2. The facility shall not operate more than \_\_\_\_\_ hours per \_\_\_\_\_.  
9 VAC 5-50-160 & 170, 9 VAC 5-80-490 B, and Condition \_\_\_\_ of x/x/xx Permit)
3. Emissions from the operation of the facility shall not exceed the limits specified below: {Only one of the three quoted regulations shall be applied to each listed pollutant}

Total Suspended Particulate	Lbs./hr	Tons/year	(9 VAC 5-50-260, 270, or 280)
PM-10	Lbs./hr	Tons/year	(9 VAC 5-50-260, 270, or 280)
Sulfur Dioxide	Lbs./hr	Tons/year	(9 VAC 5-50-260, 270, or 280)
Nitrogen Oxides (as NO <sub>2</sub> )	Lbs./hr	Tons/year	(9 VAC 5-50-260, 270, or 280)
Carbon Monoxide	Lbs./hr	Tons/year	(9 VAC 5-50-260, 270, or 280)
Volatile Organic Compounds	Lbs./hr	Tons/year	(9 VAC 5-50-260, 270, or 280)

(9 VAC 5-80-490 B, and Condition \_ of x/x/xx Permit)

### B. Monitoring [ or Monitoring and Recordkeeping ] [ Optional ]

{List all instrumental monitoring systems and routine visual inspections required to insure practical enforceability. Examples follow}

[ - Fabric Filters: The fabric filter shall be equipped with a device to continuously measure the differential pressure drop across the fabric filter. The device shall be installed in an accessible location and shall be maintained by the permittee such that it is in proper working order at all times.]

[ - Cyclones: An annual internal inspection shall be conducted on the cyclone by the permittee to insure structural integrity.]

[ - Scrubbers: The scrubber shall be equipped with a flow meter [and a device to continuously measure the differential pressure through the scrubber.]

[other control devices]

(9 VAC 5-80-490 E, and Condition \_\_\_\_ of x/x/xx Permit)

**C. Recordkeeping**

The permittee shall maintain records of all emission data and operating parameters necessary to demonstrated compliance with this permit. The content of and format of such records shall be arranged with the Director, XXXXX Region. These records shall include, but are not limited to:

1. Annual throughput of \_\_\_\_\_, calculated monthly as the sum of each consecutive twelve (12) month period.
2. Hours of operation of the \_\_\_\_\_.
3. These records shall be available on site for inspection by the DEQ and shall be current for the most recent five (5) years.  
([9 VAC 5-50-50], 9 VAC 5-80-490 F, and Condition \_ of x/x/xx Permit)

**D. Testing**

1. The permitted facility shall be constructed so as to allow for emissions testing at any time using appropriate methods. Upon request from the Department, test ports will be provided at the appropriate locations.  
([9 VAC 5-40-30 or 9 VAC 5-50-30] and 9 VAC 5-80-490 E & F)]
2. If testing is conducted in addition to the monitoring specified in this permit, the permittee shall use the following test methods in accordance with procedures approved by the DEQ as follows:

{Only the rows of the following table for those pollutants that have permit restricted emission limits applied have to be completed}.

Pollutant	Test Method (40 CFR Part 60, Appendix A)
VOC	EPA Methods 18, 25, 25a
VOC	EPA Methods 24, 24a
NOx	EPA Method 7
SO2	EPA Method 6
CO	EPA Method 10
PM/PM10	EPA Methods 5, 17
Visible Emission	EPA Method 9

(9 VAC 5-80-490 E & F)

**E. Reporting [ Optional ]**

If this section is included the text will follow the format of Section III E.

## VI. Insignificant Emission Units

{This section and table should be included in every permit, even if there are no insignificant activities identified in the permit application. If no insignificant activities have been identified, note **None Identified** in the first row of the table}

The following emission units at the facility are identified in the application as insignificant emission units under 9 VAC 5-80-720:

Emission Unit No.	Emission Unit Description	Citation 9 VAC 5-80-720 A, or B, or C	Pollutant(s) Emitted (if applicable to 9 VAC 5-80-720 B)	Rated Capacity (if applicable to 9 VAC 5-80-720 C)

These emission units are presumed to be in compliance with all requirements of the federal Clean Air Act as may apply. Based on this presumption, monitoring, recordkeeping and reporting shall not be required for these emission units in accordance with 9 VAC 5-80-490 C, E, and F .

## VII. Compliance Plan

{ The entire Compliance Plan section is optional. It is for air emission sources not operating in regulatory compliance at the time of permitting.}

### A. Description of Compliance Requirements

1. The permittee is subject to the compliance schedule described below. The schedule includes a schedule of remedial measures, including an enforceable sequence of actions with milestones, leading to compliance with any applicable requirements for which the source will be in noncompliance at the time of permit issuance. This compliance schedule resembles and is at least as stringent as that contained in any judicial consent decree or Board order to which the source is subject. This schedule is supplemental to, and does not sanction noncompliance with the applicable requirements upon which it is based.  
 (9 VAC 5-80-90 I.3.c and 9 VAC 5-80-440 I)

### B. Compliance Schedule

1. By {insert date here}, the permittee shall provide to DEQ confirmation of the date by which contracts for emission control systems or process modifications are to be awarded, or confirmation of the date by which orders are to be issued for the purchase of component parts to accomplish emission control or process modification.

(9 VAC 5-80-440 or 450 and 9 VAC 5-80-490 K.3)

2. By {insert date here}, the permittee shall begin on-site construction or installation of emission control equipment or process change.  
(9 VAC 5-80-440 I or 450 9 VAC 5-80-490 K.3 )
3. By {insert date here}, the permittee shall have completed on-site construction or installation of emission control equipment or process modification.  
(9 VAC 5-80-440 I or 450 9 VAC 5-80-490 K.3 )
4. By {insert date here}, the permittee shall have achieved final compliance.  
(9 VAC 5-80-440 I or 450 9 VAC 5-80-490 K.3 )

### C. Reporting Requirements

Within 14 days of the dates provided in Section B “**Compliance Schedule**” above, the permittee shall provide written confirmation that the milestone has been achieved. If the milestone is not achieved by the date required in the compliance schedule, the source shall, within 14 days of the date, provide a written explanation of the reason the compliance date was not met, a proposed alternate date and a statement as to the impact on the final compliance date. Extension of a compliance date may be cause for modification of this permit.  
(9 VAC 5-80- 440)

### D. Certified Progress Report

The permittee shall submit a certified progress report semi-annually detailing the progress made toward completion of the milestones in Section B “**Compliance Schedule**” above. The progress report must be certified by a responsible official and shall contain the following:

1. Dates for achieving the activities, milestones, or compliance required in the schedule of compliance, and dates when such activities, milestones or compliance were achieved.
2. An explanation of why any dates in the schedule of compliance were not or will not be met, and any preventive or corrective measures adopted.  
(9 VAC 5-80-470 I.4 and 9 VAC 5-80-490 K.4)

## VIII. Permit Shield & Inapplicable Requirements

{This section and table referring to inapplicable requirements should remain in the permit even if the permit application did not identify specific inapplicable requirements of the facility. If no inapplicable requirements were identified note that fact in the table.}

Compliance with the provisions of this permit shall be deemed compliance with all applicable requirements in effect as of the permit issuance date as identified in this permit. This permit shield covers only those applicable requirements covered by terms and conditions in this permit and the following requirements which have been specifically identified as being not applicable to this permitted facility:



Citation	Title of Citation	Description of Non Applicability

Nothing in this permit shield shall alter the provisions of ' 303 of the federal Clean Air Act, including the authority of the administrator under that section, the liability of the owner for any violation of applicable requirements prior to or at the time of permit issuance, or the ability to obtain information by the administrator pursuant to ' 114 of the federal Clean Air Act, (ii) the Board pursuant to ' 10.1-1314 or ' 10.1-1315 of the Virginia Air Pollution Control Law or (iii) the Department pursuant to ' 10.1-1307.3 of the Virginia Air Pollution Control Law.  
 (9 VAC 5-80-500)

## IX. General Conditions

### A. Federal Enforceability

All terms and conditions in this permit are enforceable by the administrator and citizens under the federal Clean Air Act, except those that have been designated as only state-enforceable.  
 (9 VAC 5-80-490 N )

### B. Permit Expiration

1. This permit has a fixed term of five years. The expiration date shall be the date five years from the effective date of the permit. Unless the owner submits a timely and complete renewal application to DEQ consistent with 9 VAC 5-80-430, the right of the facility to operate shall terminate upon permit expiration. {The permit can be set to expire for a period of less than five years if required to bring the enforcement period into concurrence with other permits. }
2. The owner shall submit an application for renewal at least six months but no earlier than eighteen months prior to the date of permit expiration.
3. If an applicant submits a timely and complete application for an initial permit or renewal under this section, the failure of the source to have a permit or the operation of the source without a permit shall not be a violation of Article 3, Part II of 9 VAC 5 Chapter 80, until the Board takes final action on the application under 9 VAC 5-80-510.
4. No source shall operate after the time that it is required to submit a timely and complete application under subsections C and D of 9 VAC 5-80-430 for a renewal permit, except in compliance with a permit issued under Article 3, Part II of 9 VAC 5 Chapter 80.



5. If an applicant submits a timely and complete application under section 9 VAC 5-80-430 for a permit renewal but the Board fails to issue or deny the renewal permit before the end of the term of the previous permit, (i) the previous permit shall not expire until the renewal permit has been issued or denied and (ii) all the terms and conditions of the previous permit, including any permit shield granted pursuant to 9 VAC 5-80-500, shall remain in effect from the date the application is determined to be complete until the renewal permit is issued or denied.
6. The protection under subsections F 1 and F 5 (ii) of section 9 VAC 5-80-430 shall cease to apply if, subsequent to the completeness determination made pursuant section 9 VAC 5-80-430 D, the applicant fails to submit by the deadline specified in writing by the Board any additional information identified as being needed to process the application.  
(9 VAC 5-80-430 B, C and F, 9 VAC 5-80-490 D and 9 VAC 5-80-530 B)

### **C. Recordkeeping and Reporting**

1. All records of monitoring information maintained to demonstrate compliance with the terms and conditions of this permit shall contain, where applicable, the following:
  - a. The date, place as defined in the permit, and time of sampling or measurements.
  - b. The date(s) analyses were performed.
  - c. The company or entity that performed the analyses.
  - d. The analytical techniques or methods used.
  - e. The results of such analyses.
  - f. The operating conditions existing at the time of sampling or measurement.  
(9 VAC 5-80-490 F)
2. Records of all monitoring data and support information shall be retained for at least five years from the date of the monitoring sample, measurement, report, or application. Support information includes all calibration and maintenance records and all original strip-chart recordings for continuous monitoring instrumentation, and copies of all reports required by the permit.  
(9 VAC 5-80-490 F)

{The dates listed in Item 3 and 3.A are suggested dates only. Other dates may be inserted at the discretion of the Regional Office}

3. The permittee shall submit the results of monitoring contained in any applicable requirement to DEQ no later than March 1 and September 1 of each calendar year. This report must be signed by a responsible official, consistent with 9 VAC 5-80-430 G and shall include:

- a. The time period included in the report. The time periods to be addressed are January 1 to June 30 inclusive and July 1 to December 31 inclusive.
- b. All deviations from permit requirements. For purposes of this permit, a deviation includes, but are not limited to:
  - Exceedance of emissions limitations or operational restrictions,
  - Excursions from control device operating parameter requirements, as documented by continuous emission monitoring, periodic monitoring, or compliance assurance monitoring which indicates an exceedance of emission limitations or operational restrictions; or,
  - Failure to meet monitoring, recordkeeping, or reporting requirements contained in this permit.
- c. If there were no deviations from permit conditions during the time period, the permittee shall include a statement in the report that "no deviations from permit requirements occurred during this semi-annual reporting period." The time period included in the report. The time periods to be addressed are (9 VAC 5-80-490 F )

#### **D. Annual Compliance Certification**

[ The March 1 submission date listed in this condition is recommended. Another date may be set at the discretion of the regional office. ]

Exclusive of any reporting required to assure compliance with the terms and conditions of this permit or as part of a schedule of compliance contained in this permit, the permittee shall submit to EPA and DEQ no later than March 1 each calendar year a certification of compliance with all terms and conditions of this permit including emission limitation standards or work practices. The compliance certification shall comply with such additional requirements that may be specified pursuant to ' 114(a)(3) and ' 504(b) of the federal Clean Air Act. This certification shall be signed by a responsible official, consistent with VAC 5-80-430 G, and shall include:

1. The time period included in the certification. The time period to be addressed is January 1 to December 31.
2. A description of the means for assessing or monitoring the compliance of the source with its emissions limitations, standards, and work practices.
3. The identification of each term or condition of the permit that is the basis of the certification.
4. Consistent with subsection 9 VAC 5-80-490 E, the method or methods used for determining the compliance status of the source at the time of certification and over the certification period.

5. Whether compliance was continuous or intermittent, and if not continuous, documentation of each incident of non-compliance.
6. The status of compliance with the terms and conditions of this permit for the certification period.
7. Such other facts as the permit may require to determine the compliance status of the source.

One copy of the annual compliance certification shall be sent to EPA at the following address:

Clean Air Act Title V Compliance Certification (3AP00)  
U.S. Environmental Protection Agency, Region III  
1650 Arch Street  
Philadelphia, PA 19103-2029.  
(9 VAC 5-80-490 K.5)

#### **E. Permit Deviation Reporting**

[ Note: If a facility does not have any continuous monitors that are required to meet 9 VAC 5-40-40C or 9 VAC 5-50-50 C then the bracketed information below can be deleted. ]

The permittee shall notify the Director, XXX Region within four daytime business hours, after discovery of any deviations from permit requirements which may cause excess emissions for more than one hour, including those attributable to upset conditions as may be defined in this permit. In addition, within 14 days of the discovery, the permittee shall provide a written statement explaining the problem, any corrective actions or preventative measures taken, and the estimated duration of the permit deviation. [Owners subject to the requirements of 9 VAC 5-40-50 C and 9 VAC 5-50-50 C are not required to provide the written statement prescribed in this paragraph for facilities subject to the monitoring requirements of 9 VAC 5-40-40 and 9 VAC 5-50-40.] The occurrence should also be reported in the next semi-annual compliance monitoring report pursuant to General Condition IX.C.3. of this permit.  
(9 VAC 5-80-490 F.2 )

#### **F. Failure/Malfunction Reporting**

In the event that any affected facility or related air pollution control equipment fails or malfunctions in such a manner that may cause excess emissions for more than one hour, the owner shall, as soon as practicable but no later than four daytime business hours after discovery, notify the Director, XXXX Region by facsimile transmission, telephone or telegraph of such failure or malfunction and shall within 14-days provide a written statement giving all pertinent facts, including the estimated duration of the breakdown. [Owners subject to the

requirements of 9 VAC 5-40-50 C and 9 VAC 5-50-50 C are not required to provide the written statement prescribed in this paragraph for facilities subject to the monitoring requirements of 9 VAC 5-40-40 and 9 VAC 5-50-40.] When the condition causing the failure or malfunction has been corrected and the equipment is again in operation, the owner shall notify the Director, XXXX Region.

(9 VAC 5-20-180 C)

1. The emission units that have continuous monitors subject to 9 VAC 5-40-50 C and 9 VAC 5-50-50 C are not subject to the two week written notification.
2. The emission units subject to the reporting and the procedure requirements of 9 VAC 5-40-50 C and the procedures of 9 VAC 5-50-50 C are listed below:
  - a. Unit name
  - b. Unit name
  - c. {list all subjected emission units}
3. Each owner required to install a continuous monitoring system subject to 9 VAC 5-40-41 or 9 VAC 5-50-410 shall submit a written report of excess emissions (as defined in the applicable emission standard) to the board for every calendar quarter. All quarterly reports shall be postmarked by the 30th day following the end of each calendar quarter and shall include the following information:
  - a. The magnitude of excess emissions computed in accordance with 40 CFR 60.13(h) or 9 VAC 5-40-41 B 6, any conversion factors used, and the date and time of commencement and completion of each period of excess emissions;
  - b. Specific identification of each period of excess emissions that occurs during startups, shutdowns, and malfunctions of the source. The nature and cause of any malfunction (if known), the corrective action taken or preventative measures adopted;
  - c. The date and time identifying each period during which the continuous monitoring system was inoperative except for zero and span checks and the nature of the system repairs or adjustments; and

- d. When no excess emissions have occurred or the continuous monitoring systems have not been inoperative, repaired or adjusted, such information shall be stated in the report.

4. All emission units not subject to 9 VAC 5-40-50 C and 9 VAC 5-50-50 C must make written reports within 14 days of the malfunction occurrence.  
(9 VAC 5-20-180 C, 9 VAC 5-40-50, and 9 VAC 5-50-50)

**G. Severability**

The terms of this permit are severable. If any condition, requirement or portion of the permit is held invalid or inapplicable under any circumstance, such invalidity or inapplicability shall not affect or impair the remaining conditions, requirements, or portions of the permit.  
(9 VAC 5-80-490 G.1)

**H. Duty to Comply**

The permittee shall comply with all terms and conditions of this permit. Any permit noncompliance constitutes a violation of the federal Clean Air Act or the Virginia Air Pollution Control Law or both and is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or for denial of a permit renewal application.  
(9 VAC 5-80-490 G.2)

**I. Need to Halt or Reduce Activity not a Defense**

It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.  
(9 VAC 5-80-490 G.3 )

**J. Permit Modification**

A physical change in, or change in the method of operation of, this stationary source may be subject to permitting under State Regulations 9 VAC 5-80-50, 9 VAC 5-80-1100, 9 VAC 5-80-1790, or 9 VAC 5-80-2000 and may require a permit modification and/or revisions except as may be authorized in any approved alternative operating scenarios.  
(9 VAC 5-80-490 G and L )(9 VAC 5-80-550 and 9 VAC 5-80-660)

**K. Property Rights**

The permit does not convey any property rights of any sort, or any exclusive privilege.  
(9 VAC 5-80-490 G.5)

**L. Duty to Submit Information**

1. The permittee shall furnish to the board, within a reasonable time, any information that the board may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating the permit or to determine compliance with the permit. Upon request, the permittee shall also furnish to the board copies of records required to be kept by the permit and, for information claimed to be confidential, the permittee shall furnish such records to the board along with a claim of confidentiality.  
(9 VAC 5-80-490 G.6)
2. Any document (including reports) required in a permit condition to be submitted to the board shall contain a certification by a responsible official that meets the requirements of 9 VAC 5-80-430 G.9.  
(9 VAC 5-80-490 K.1)

**M. Duty to Pay Permit Fees**

The owner of any source for which a permit under 9 VAC 5-80-360 through 9 VAC 5-80-700 was issued shall pay permit fees consistent with the requirements of 9 VAC 5-80-310 et seq. The actual emissions covered by the permit program fees for the preceding year shall be calculated by the owner and submitted to the Department by April 15 of each year. The calculations and final amount of emissions are subject to verification and final determination by the Department.  
(9 VAC 5-80-490 H)

**N. Fugitive Dust Emission Standards**

During the operation of a stationary source or any other building, structure, facility or installation, no owner or other person shall cause or permit any materials or property to be handled, transported, stored, used, constructed, altered, repaired, or demolished without taking reasonable precautions to prevent particulate matter from becoming airborne. Such reasonable precautions may include, but are not limited, to the following:

1. Use, where possible, of water or chemicals for control of dust in the demolition of existing buildings or structures, construction operations, the grading of roads, or the clearing of land;
2. Application of asphalt, water, or suitable chemicals on dirt roads, materials stockpiles, and other surfaces which may create airborne dust; the paving of roadways and the maintaining of them in a clean condition;

3. Installation and use of hoods, fans, and fabric filters to enclose and vent the handling of dusty material. Adequate containment methods shall be employed during sandblasting or other similar operations;
4. Open equipment for conveying or transporting material likely to create objectionable air pollution when airborne shall be covered or treated in an equally effective manner at all times when in motion; and
5. The prompt removal of spilled or traced dirt or other materials from paved streets and of dried sediments resulting from soil erosion.  
(9 VAC 5-40-20 E, 9 VAC 5-50-90, and 9 VAC 5-50-50)

**O. Startup, Shutdown, and Malfunction**

At all times, including periods of startup, shutdown, soot blowing, and malfunction, owners shall, to the extent practicable, maintain and operate any affected facility including associated air pollution control equipment in a manner consistent with air pollution control practices for minimizing emissions. Determination of whether acceptable operating and maintenance procedures are being used will be based on information available to the board, which may include, but is not limited to, monitoring results, opacity observations, review of operating and maintenance procedures, and inspection of the source.  
(9 VAC 5-40-20 E, and 9 VAC 5-50-20 E)

**P. Alternative Operating Scenarios**

Contemporaneously with making a change between reasonably anticipated operating scenarios identified in this permit, the permittee shall record in a log at the permitted facility a record of the scenario under which it is operating. The permit shield described in 9 VAC 5-80-500 shall extend to all terms and conditions under each such operating scenario. The terms and conditions of each such alternative scenario shall meet all applicable requirements including the requirements of 9 VAC 5 Chapter 80 Article 3.  
(9 VAC 5-80-490 J)

**Q. Inspection and Entry Requirements**

The permittee shall allow DEQ, upon presentation of credentials and other documents as may be required by law, to perform the following:

1. Enter upon the premises where the source is located or emissions-related activity is conducted, or where records must be kept under the terms and conditions of the permit.
2. Have access to and copy, at reasonable times, any records that must be kept under the terms and conditions of the permit.



3. Inspect at reasonable times any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under the permit.
4. Sample or monitor at reasonable times substances or parameters for the purpose of assuring compliance with the permit or applicable requirements.  
(9 VAC 5-80-490 K.2 )

#### **R. Reopening For Cause**

The permit shall be reopened by the board if additional federal requirements become applicable to a major source with a remaining permit term of three or more years. Such a reopening shall be completed not later than 18 months after promulgation of the applicable requirement. No such reopening is required if the effective date of the requirement is later than the date on which the permit is due to expire, unless the original permit or any of its terms and conditions has been extended pursuant to 9 VAC 5-80-430 F.

1. The permit shall be reopened if the board or the administrator determines that the permit contains a material mistake or that inaccurate statements were made in establishing the emissions standards or other terms or conditions of the permit.
2. The permit shall be reopened if the administrator or the board determines that the permit must be revised or revoked to assure compliance with the applicable requirements.
3. The permit shall not be reopened by the board if additional applicable state requirements become applicable to a major source prior to the expiration date established under 9 VAC 5-80-490 D.  
(9 VAC 5-80-490 L)

#### **S. Permit Availability**

Within five days after receipt of the issued permit, the permittee shall maintain the permit on the premises for which the permit has been issued and shall make the permit immediately available to DEQ upon request.  
(9 VAC 5-80-510 G )

#### **T. Transfer of Permits**

1. No person shall transfer a permit from one location to another or from one piece of equipment to another.  
(9 VAC 5-80-520 )



2. In the case of a transfer of ownership of a stationary source, the new owner shall comply with any current permit issued to the previous owner. The new owner shall notify the board of the change in ownership within 30 days of the transfer and shall comply with the requirements of 9 VAC 5-80-560.  
(9 VAC 5-80-520)
3. In the case of a name change of a stationary source, the owner shall comply with any current permit issued under the previous source name. The owner shall notify the board of the change in source name within 30 days of the name change and shall comply with the requirements of 9 VAC 5-80-560.  
(9 VAC 5-80-520)

**U. Malfunction as an Affirmative Defense**

1. A malfunction constitutes an affirmative defense to an action brought for noncompliance with technology-based emission limitations if the requirements of paragraph 2 of this condition are met.
2. The affirmative defense of malfunction shall be demonstrated by the permittee through properly signed, contemporaneous operating logs, or other relevant evidence that show the following:
  - a. A malfunction occurred and the permittee can identify the cause or causes of the malfunction.
  - b. The permitted facility was at the time being properly operated.
  - c. During the period of the malfunction the permittee took all reasonable steps to minimize levels of emissions that exceeded the emission standards, or other requirements in the permit.
  - d. The permittee notified the board of the malfunction within two working days following the time when the emission limitations were exceeded due to the malfunction. This notification shall include a description of the malfunction, any steps taken to mitigate emissions, and corrective actions taken. The notification may be delivered either orally or in writing. The notification may be delivered by electronic mail, facsimile transmission, telephone, or any other method that allows the permittee to comply with the deadline. This notification fulfills the requirements of 9 VAC 5-80-490 F.2.b to report promptly deviations from permit requirements. This notification does not release the permittee from the malfunction reporting requirement under 9 VAC 5-20-180 C.
3. In any enforcement proceeding, the permittee seeking to establish the occurrence of a malfunction shall have the burden of proof. The provisions of this section are in addition to any malfunction, emergency or upset provision contained in any requirement applicable to the source.

4. The provisions of this section are in addition to any malfunction, emergency or upset provision contained in any applicable requirement.  
(9 VAC 5-80-650)

#### **V. Permit Revocation or Termination for Cause**

A permit may be revoked or terminated prior to its expiration date if the owner knowingly makes material misstatements in the permit application or any amendments thereto or if the permittee violates, fails, neglects or refuses to comply with the terms or conditions of the permit, any applicable requirements, or the applicable provisions of 9 VAC 5 Chapter 80 Article 3. The Board may suspend, under such conditions and for such period of time as the Board may prescribe any permit for any of the grounds for revocation or termination or for any other violations of these regulations.  
(9 VAC 5-80-490 G & L, 9 VAC 5-80-640 and 9 VAC 5-80-660)

#### **W. Duty to Supplement or Correct Application**

Any applicant who fails to submit any relevant facts or who has submitted incorrect information in a permit application shall, upon becoming aware of such failure or incorrect submittal, promptly submits such supplementary facts or corrections. An applicant shall also provide additional information as necessary to address any requirements that become applicable to the source after the date a complete application was filed but prior to release of a draft permit.  
(9 VAC 5-80-430 E)

#### **X. Stratospheric Ozone Protection**

If the permittee handles or emits one or more Class I or II substance subject to a standard promulgated under or established by Title VI (Stratospheric Ozone Protection) of the federal Clean Air Act, the permittee shall comply with all applicable sections of 40 CFR Part 82, Subparts A to F.  
(40 CFR Part 82, Subparts A - F)

#### **Y. Asbestos Requirements**

[The asbestos condition is not required if the facility states within the body of its application that it does not contain any asbestos.]

The permittee shall comply with the requirements of National Emissions Standards for Hazardous Air Pollutants (40 CFR 61) Subpart M, National Emission Standards for Asbestos as it applies to the following: Standards for Demolition and Renovation (40 CFR 61.145), Standards for Insulating Materials (40 CFR 61.148), and Standards for Waste Disposal (40 CFR 61.150).  
(9 VAC 5-60-70 and 9 VAC 5-80-490 A)

## **Z. Accidental Release Prevention**

If the permittee has more, or will have more than a threshold quantity of a regulated substance in a process, as determined under 40 CFR 68.115, the permittee shall comply with the requirements of 40 CFR Part 68.

(40 CFR Part 68) (check to see if there is a VAC citation)

## **AA. Changes to Permits for Emissions Trading**

No permit revision shall be required, under any federally approved economic incentives, marketable permits, emissions trading and other similar programs or processes for changes that are provided for in this permit.  
(9 VAC 5-80-490 I)

## **BB. Emissions Trading**

Where the trading of emissions increases and decreases within the permitted facility is to occur within the context of this permit and to the extent that the regulations provide for trading such increases and decreases without a case-by-case approval of each emissions trade:

1. All terms and conditions required under 9 VAC 5-80-490 except subsection N shall be included to determine compliance.
2. The permit shield described in 9 VAC 5-80-500 shall extend to all terms and conditions that allow such increases and decreases in emissions.
3. The owner shall meet all applicable requirements including the requirements of 9 VAC 5-80-360 through 9 VAC 5-80-700.  
(9 VAC 5-80-490 I)

## **X. Title IV (Phase II Acid Rain) Permit Allowances and Requirements**

[Optional Text: If a valid PHASE II Permit is in effect at the time the Article 3 Federal Operating Permit is issued the existing document can be attached. The following text should be used. If a Phase II permit has not been prepared, the appropriate Acid Rain conditions as provided over the seven pages should be included.]

**Phase II Permit** - *The attached Phase II permit is incorporated into this permit by reference, [including the attached NO<sub>x</sub> Compliance Plan] [and attached NO<sub>x</sub> Averaging Plan OPTIONAL]. The owners and operators of the source shall comply with the standard requirements and special provisions set forth in the application.  
(9 VAC 5-80-440 and 9 VAC 5-80-490 A.4.a and c, B, C, E, F, M, O and P) ]*

{or the Article 3 Federal Operating Permit will include the appropriate following conditions}

**A. Statutory and Regulatory Authorities**

In accordance with the Air Pollution Control Law of Virginia §10.1-1308 and §10.1-1322, the Environmental Protection Agency (EPA) Final Full Approval of the Operating Permits Program (Titles IV and V) published in the Federal Register December 4, 2001, Volume 66, Number 233, Rules and Regulations, Pages 62961-62967 and effective November 30, 2001, and Title 40, the Code of Federal Regulations §§72.1 through 76.16, the Commonwealth of Virginia Department of Environmental Quality issues this permit pursuant to 9 VAC 5 Chapter 80, Article 3 of the Virginia Regulations for the Control and Abatement of Air Pollution (Federal Operating Permit Article 3). (9 VAC 5-80-490 B.2)

{This paragraph is to be copied into the separate Statement of Basis document developed to support the Article 3 Federal Operating Permit. This separate Statement of Basis document will otherwise be identical to the SOB template developed for the Title V program.}

**B. SO<sub>2</sub> Allowance Allocations and NO<sub>x</sub> Requirements for affected units**  
(9 VAC 5-80-490 A.4)

*{Example of limits for a coal-fired unit with SO<sub>2</sub> allowances in Part 73 Tables:}*

		20XX	20XX+1	20XX+2	20XX+3	20XX+4
Unit W	SO <sub>2</sub> allowances, under Table 2, 40 CFR Part 73. (tons)	XXXX <sup>1</sup>	XXXX <sup>1</sup>	XXXX <sup>1</sup>	XXXX <sup>1</sup>	XXXX <sup>1</sup>
	NO <sub>x</sub> limit	Pursuant to 40 CFR Part 76, the Commonwealth of Virginia Department of Environmental Quality approves a standard NO <sub>x</sub> compliance plan for unit W, effective for calendar year 20XX through calendar year 20XX+4. Under the NO <sub>x</sub> compliance plan, this unit's annual average NO <sub>x</sub> emission rate for each year, determined in accordance with 40 CFR Part 75, shall not exceed the applicable emission limitation under [40 CFR 76.7(a)(1), of 0.40 lb./mmBtu of heat input for tangentially fired boilers][40 CFR 76.7(a)(2), of 0.46 lb./mmBtu of heat input for dry bottom wall-fired boilers not applying cell burner technology][40 CFR 76.6(a)(1), of 0.68 lb./mmBtu of heat input for cell burner boilers][40 CFR 76.6(a)(2), of 0.86 lb./mmBtu of heat input for cyclone boilers][40 CFR 76.6(a)(3), of 0.84 lb./mmBtu of heat input for wet bottom boilers][40 CFR 76.6(a)(4), of 0.80 lb./mmBtu of heat input for vertically fired boilers].				

	In addition to the described compliance plan, this unit shall comply with all other applicable requirements of 40 CFR Part 76, including the duty to reapply for a NO <sub>x</sub> compliance plan and requirements covering excess emissions.
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<sup>1</sup> See Sub section C.1

EXAMPLE

{Example of limits for a coal-fired unit with **no SO<sub>2</sub> allowance** in Part 73 Tables:}

		20XX	20XX+1	20XX+2	20XX+3	20XX+4
Unit W	SO <sub>2</sub> allowances, allocated by U. S. EPA. (tons)	None <sup>1</sup>	None <sup>1</sup>	None <sup>1</sup> )	None <sup>1</sup>	None <sup>1</sup>
	NO <sub>x</sub> limit	<p>Pursuant to 40 CFR Part 76, the Commonwealth of Virginia Department of Environmental Quality approves a standard NO<sub>x</sub> compliance plan for unit W, effective for calendar year 20XX through calendar year 20XX+4. Under the NO<sub>x</sub> compliance plan, this unit's annual average NO<sub>x</sub> emission rate for each year, determined in accordance with 40 CFR Part 75, shall not exceed the applicable emission limitation under [40 CFR 76.7(a)(1), of 0.40 lb./mmBtu of heat input for tangentially fired boilers][40 CFR 76.7(a)(2), of 0.46 lb./mmBtu of heat input for dry bottom wall-fired boilers not applying cell burner technology][40 CFR 76.6(a)(1), of 0.68 lb./mmBtu of heat input for cell burner boilers][40 CFR 76.6(a)(2), of 0.86 lb./mmBtu of heat input for cyclone boilers][40 CFR 76.6(a)(3), of 0.84 lb./mmBtu of heat input for wet bottom boilers][40 CFR 76.6(a)(4), of 0.80 lb./mmBtu of heat input for vertically fired boilers].</p> <p>In addition to the described compliance plan, this unit shall comply with all other applicable requirements of 40 CFR Part 76, including the duty to reapply for a NO<sub>x</sub> compliance plan and requirements covering excess emissions.</p>				

{Example of limits for a gas or oil-fired unit (no NO<sub>x</sub> **requirement**) with SO<sub>2</sub> allowances in Part 73 Tables:}

		20XX	20XX+1	20XX+2	20XX+3	20XX+4
Unit X	SO <sub>2</sub> allowances, under Table 2, 40 CFR Part 73. (tons)	XXXX <sup>2</sup>	XXXX <sup>2</sup>	XXXX <sup>2</sup>	XXXX <sup>2</sup>	XXXX <sup>2</sup>

<sup>1</sup> See Subsection C.1 and C.2 .a and C.2.b

<sup>2</sup> See Subsection C.1

{Example of limits for a gas or oil-fired unit (no NO<sub>x</sub> requirement) with no SO<sub>2</sub> allowance in Part 73 Tables:}

		20XX	20XX+1	20XX+2	20XX+3	20XX+4
Unit X	SO <sub>2</sub> allowances, allocated by U. S. EPA. (tons)	None. <sup>1</sup>	None. <sup>1</sup>	None. <sup>1</sup>	None. <sup>1</sup>	None. <sup>1</sup>

{Example of limits for a Phase-II coal-fired ~~Early Election~~ unit:}

		20XX	20XX+1	20XX+2	20XX+3	20XX+4
Unit Y	SO <sub>2</sub> allowances, under Table 2, 40 CFR Part 73. (tons)	XXXX <sup>2</sup>	XXXX <sup>2</sup>	XXXX <sup>2</sup>	XXXX <sup>2</sup>	XXXX <sup>2</sup>
	NO <sub>x</sub> limit (See 3.C.1)	<p>Pursuant to 40 CFR 76.8(d)(2), the Commonwealth of Virginia Department of Environmental Quality approves a NO<sub>x</sub> early election compliance plan for unit Y. The compliance plan is effective for calendar year 20XX through calendar year 20XX+4. Under the compliance plan, this unit's annual average NO<sub>x</sub> emission rate for each year, determined in accordance 40 CFR Part 75, shall not exceed the applicable emission limitation, under [40 CFR 76.5 (a)(1), of 0.45 lb./mmBtu of heat input for tangentially fired boilers][40 CFR 76.5 (a)(2), of 0.50 lb./mmBtu for dry bottom wall-fired boilers]. If this unit is in compliance with its applicable emission limitation for each year of the plan, then the unit shall not be subject the applicable emission limitation under [40 CFR §76.7(a)(1) of 0.40 lb./mmBtu for tangentially fired boilers][40 CFR §76.7(a)(2) of 0.46 lb./mmBtu for dry bottom wall-fired boilers] until calendar year 2008.</p> <p>In addition to the described NO<sub>x</sub> compliance plan, this unit shall comply with all other applicable requirements of 40 CFR Part 76 including the duty to reapply for a NO<sub>x</sub> compliance plan and requirements covering excess emissions.</p>				

<sup>1</sup> See Subsection C.1 and C.2 .a and C.2.b

<sup>2</sup> See Subsection C.1

*{Example of a unit included in one NO<sub>x</sub> emissions averaging plan that runs for several years:}*

		20XX	20XX+1	20XX+2	20XX+3	20XX+4
Unit Z	SO <sub>2</sub> allowances, under Table 2, 40 CFR Part 73. (tons)	XXXX <sup>2</sup>	XXXX <sup>2</sup>	XXXX <sup>2</sup>	XXXX <sup>2</sup>	XXXX <sup>2</sup>
	NO <sub>x</sub> limit	<p>Pursuant to 40 CFR 76.11, the Commonwealth of Virginia Department of Environmental Quality approves a NO<sub>x</sub> emission averaging plan for unit Z, effective for calendar year 20XX through calendar year 20XX+4. Under the plan, this unit's NO<sub>x</sub> emissions shall not exceed the annual average alternative contemporaneous emission limitation of {insert the unit ACEL from column B in the plan} lb./mmBtu. <i>[{omit the entire next sentence if the ACEL and the standard in the plan are identical:} In addition, this unit shall not have an annual heat input [greater than {use "greater than" if the ACEL is greater than the standard}][less than {use "less than" if the ACEL is less than the standard}] {insert the annual heat input value from column C in the plan} mmBtu.]</i></p> <p>Under the plan, the actual Btu-weighted annual average NO<sub>x</sub> emission rate for the units in the plan shall be less than or equal to the Btu-weighted annual average NO<sub>x</sub> emission rate for the same units had they been operated, during the same period of time, under the applicable emissions limitations under 40 CFR §§76.5, 76.6, or 76.7, except that for early election units, the applicable emission limitations shall be under §76.7. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR §76.11(d)(1)(ii)(A)) is met for a year under the plan, then this unit shall be deemed to be in compliance for that year with its alternative contemporaneous annual emission limitation and annual heat input limit.</p> <p><i>[{required for multiple permitting authority plans:}In accordance with 40 CFR §72.40(b)(2), approval of the averaging plan shall be final only when {other permitting authorities} [have][has] also approved the averaging plan.]</i></p>				



		<p>[{required for averaging plan units that are also early election plan units.}] Notwithstanding the averaging plan described above, if this unit exceeds its applicable NO<sub>x</sub> emission limitation under 40 CFR §76.8 (early election) of [0.45 lb./mmBtu for tangentially fired boilers][0.50 lb./mmBtu for dry bottom wall-fired boilers]the early election plan for this unit shall be terminated in accordance with 40 CFR §76.8(e), and the unit shall meet, beginning on the effective date of the termination, the applicable NO<sub>x</sub> emission limitation under 40 CFR §76.7. Such termination shall not terminate the averaging plan described above.]</p> <p>In addition to the described NO<sub>x</sub> compliance plan, this unit shall comply with all other applicable requirements of 40 CFR Part 76 including the duty to reapply for a NO<sub>x</sub> compliance plan, and requirements covering excess emissions.</p>
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<sup>1</sup> See Subsection C.1 and C.2.a and C.2.b

<sup>2</sup> See Subsection C.1

{Example of a unit included in **multiple identical NO<sub>x</sub> averaging plans**, each for a single year:}

		20XX	20XX+1	20XX+2	20XX+3	20XX+4
Unit Z	SO <sub>2</sub> allowances, under Table 2, 40 CFR Part 73. (tons)	XXXX <sup>2</sup>	XXXX <sup>2</sup>	XXXX <sup>2</sup>	XXXX <sup>2</sup>	XXXX <sup>2</sup>
	NO <sub>x</sub> limit	<p>Pursuant to 40 CFR 76.11, the Commonwealth of Virginia Department of Environmental Quality approves {number of plans} NO<sub>x</sub> emission averaging plans for unit Z. Each plan is effective for one calendar year for the years 20XX, 20XX+1, 20XX+2, 20XX+3, and 20XX+4. Under each plan, this unit's NO<sub>x</sub> emissions shall not exceed the annual average alternative contemporaneous emission limitation of {insert the unit ACEL from column B in the plan} lb./mmBtu. <i>[{omit the entire next sentence if the ACEL and the standard in the plan are identical:}]</i> In addition, this unit shall not have an annual heat input [greater than {use "greater than" if the ACEL is greater than the standard}][less than {use "less than" if the ACEL is less than the standard}] {insert the annual heat input value from column C in the plan} mmBtu.]</p> <p>Under the plans, the actual Btu-weighted annual average NO<sub>x</sub> emission rate for the units in the plan shall be less than or equal to the Btu-weighted annual average NO<sub>x</sub> emission rate for the same units had they been operated, during the same period of time, under the applicable emissions limitations under 40 CFR §§76.5, 76.6, or 76.7, except that for early election units, the applicable emission limitations shall be under §76.7. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR §76.11(d)(1)(ii)(A)) is met for a year under the plan, then this unit shall be deemed to be in compliance for that year with its alternative contemporaneous annual emission limitation and annual heat input limit.</p> <p><i>[{required for multiple permitting authority plans:}]</i>In accordance with 40 CFR §72.40(b)(2), approval of the averaging plans shall be final only when {other permitting authorities} [have][has] also approved this averaging plan.]</p>				

		<p>[{required for averaging plan units that are also early election plan units.}] Notwithstanding the averaging plans described above, if this unit exceeds its applicable NO<sub>x</sub> emission limitation under 40 CFR §76.8 (early election) of [0.45 lb./mmBtu for tangentially fired boilers][0.50 lb./mmBtu for dry bottom wall-fired boilers]the early election plan for this unit shall be terminated in accordance with 40 CFR §76.8(e), and the unit shall meet, beginning on the effective date of the termination, the applicable NO<sub>x</sub> emission limitation under 40 CFR §76.7. Such termination shall not terminate the averaging plans described above.]</p> <p>In addition to the described NO<sub>x</sub> compliance plan, this unit shall comply with all other applicable requirements of 40 CFR Part 76 including the duty to reapply for a NO<sub>x</sub> compliance plan and requirements covering excess emissions.</p>
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<sup>1</sup> See Subsection C.1 and C.2.a and C.2.b

<sup>2</sup> See Subsection C.1

{Example of a unit included in **multiple non-identical NO<sub>x</sub> averaging plans**, each for a single year.}

		20XX	20XX+1	20XX+2	20XX+3	20XX+4
Unit Z	SO <sub>2</sub> allowances, under Table 2, 40 CFR Part 73. (tons)	XXXX <sup>2</sup>	XXXX <sup>2</sup>	XXXX <sup>2</sup>	XXXX <sup>2</sup>	XXXX <sup>2</sup>
	NO <sub>x</sub> ACEL (lb./mmBtu)					
	Heat Input Limit (mmBtu)					
	Maximum or Minimum					
	NO <sub>x</sub> limit	<p>Pursuant to 40 CFR 76.11, the Commonwealth of Virginia Department of Environmental Quality approves {number of plans} NO<sub>x</sub> emission averaging plans for unit Z. Each plan is effective for one calendar year for the years 20XX, 20XX+1, 20XX+2, 20XX+3, and 20XX+4. Under each plan, this unit's NO<sub>x</sub> emissions shall not exceed the annual average alternative contemporaneous emission limitation, and this unit shall meet the annual heat input limit listed above for the applicable year.</p> <p>Under each plan, the actual Btu-weighted annual average NO<sub>x</sub> emission rate for the units in the plan shall be less than or equal to the Btu-weighted annual average NO<sub>x</sub> emission rate for the same units had they been operated, during the same period of time, under the applicable emissions limitations under 40 CFR §§76.5, 76.6, or 76.7, except that for early election units, the applicable emission limitations shall be under §76.7. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR §76.11(d)(1)(ii)(A)) is met for a year under the plan, then this unit shall be deemed to be in compliance for that year with its alternative contemporaneous annual emission limitation and annual heat input limit.</p> <p>[{required for multiple permitting authority plans;}In accordance with 40 CFR §72.40(b)(2), approval of the averaging plans shall be final only when {other permitting authorities} [have][has] also approved the averaging plans.]</p>				

	<p>[{required for averaging plan units that are also early election plan units.} Notwithstanding the averaging plans described above, if this unit exceeds its applicable NO<sub>x</sub> emission limitation under 40 CFR §76.8 (early election) of [0.45 lb./mmBtu for tangentially fired boilers][0.50 lb./mmBtu for dry bottom wall-fired boilers]the early election plan for this unit shall be terminated in accordance with 40 CFR §76.8(e), and the unit shall meet, beginning on the effective date of the termination, the applicable NO<sub>x</sub> emission limitation under 40 CFR §76.7. Such termination shall not terminate the averaging plans described above.]</p> <p>In addition to the described NO<sub>x</sub> compliance plan, this unit shall comply with all other applicable requirements of 40 CFR Part 76 including the duty to reapply for a NO<sub>x</sub> compliance plan and requirements covering excess emissions.</p>
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<sup>1</sup> See Subsection C.1 and C.2.a and C.2.b

<sup>2</sup> See Subsection C.1

## C. Additional Requirements, Notes, Comments, and Justifications.

### 1. Additional Requirements:

<<Company name>> shall submit a complete permit application that includes all of the information required under 40 CFR §§72.21 and 72.31 [and includes a complete NO<sub>x</sub> compliance plan in accordance with 40 CFR §76.9(c)] at least 6 months, but no earlier than 18 months, prior to the date of expiration of the existing Phase II Acid Rain permit. EPA forms shall be used.  
(9 VAC 5-80-430 C.5)

### 2. Notes.

- a. SO<sub>2</sub> allowances may be acquired from other sources in addition to those allocated by U.S. EPA. No revision to this permit is necessary in order for the owners and operators of this unit to hold additional allowances recorded in accordance with 40 CFR Part 73. The owners and operators of this unit remain obligated to hold sufficient allowances to account for SO<sub>2</sub> emissions from this unit in accordance with 40 CFR 72.9(c)(1).  
(9 VAC 5-80-420 C.1 and H.1 and 9 VAC 5-80-490 O)
- b. [This unit was not eligible for SO<sub>2</sub> allowance allocation by U.S. EPA under Section 405 of the Clean Air Act and the Acid Rain Program, so none were assigned in 40 CFR Part 73, Table 2.  
(9 VAC 5-80-420 C.6)]

**3. [Comments: ] Optional**

- a. *[[Example of a comment for a Phase II coal-fired Early Election unit.]]*  
<<company>> may include unit Y in a NO<sub>x</sub> averaging plan only if the applicable emission limitation under [40 CFR 76.7(a)(1), of 0.40 lb./mmBtu of heat input for tangentially fired boilers][40 CFR 76.7(a)(2), of 0.46 lb./mmBtu of heat input for dry bottom wall-fired boilers] is used for this unit in determining compliance with such a plan.  
(9 VAC 5-80-420 D)]
- b. *{Add as many comments as needed to define SO<sub>x</sub> and NO<sub>x</sub> emission requirements or limitations. }*

**4. [Justifications:] Optional**

- a. *[[Example of a justification for not giving a NO<sub>x</sub> requirement for a gas or oil-fired unit under 40 CFR Part 76:]]* Unit X is a gas-fired or oil-fired unit and is not subject to NO<sub>x</sub> limitations under 40 CFR Part 76.  
(9 VAC 5-80-420 D)]
- b. *[[Example of a justification for not giving any requirements for a related heat recovery unit under 40 CFR Part 76:]]* The heat from Unit X is recovered by a heat steam recovery generator labeled Unit X1. Unit X1 is not equipped with any fuel firing capabilities, and is therefore not subject to acid rain requirements under 40 CFR Parts 72 through 76.  
(9 VAC 5-80-420 D)]

**XI. NO<sub>x</sub> Budget Trading Program Requirements**

*[The entire NO<sub>x</sub> emission trading section is to be considered optional.]*

**A. NO<sub>x</sub> Budget Permit General Conditions**

1. A review of the air emission units included in this permit approval has determined that the equipment listed in the following table meets the definition of a NO<sub>x</sub> Budget Unit and falls subject to the NO<sub>x</sub> Budget emission limitations under 9 VAC 5-140-40 or for opt-in sources 9 VAC 5-140-800. As required by 9 VAC 5-140-200 A, each NO<sub>x</sub> Budget source is required to have a federally enforceable permit. This section of the document represents the NO<sub>x</sub> Budget permit.  
(9 VAC 5-140-40) or (9 VAC 5-140-800)
2. The NO<sub>x</sub> Budget permit will be administrated by the VADEQ under the authority of 9 VAC 5-80-360 et seq., and 9 VAC 5-140-10 et seq.  
(9 VAC 5-140-200 A)
3. The following air emission unit(s) have been determined to meet the applicability requirements as provided in 9 VAC 5-140-40 A.1 and A.2. Units that do not meet this definition, are not defined as 25-Ton Exemption Units and are not permanently shutdown can

be included in the NO<sub>x</sub> Budget Trading program as "opt-in" air emission sources.  
(9 VAC 5-140-40 A) for Opt-In sources (9 VAC 5-140-800).

Table XII – 1 Facility NO <sub>x</sub> Budget Units					
Facility Unit ID	Unit NATS Code	Unit Name and description	Maximum Heat Capacity (MMBtu/hr)	Maximum Generation Capacity (megawatts)	
		"Opt-in" sources and Low Mass Emission Units are considered NO <sub>x</sub> Budget Units. Include them in this table.			If applicable

The NO<sub>x</sub> Allowance Trading System (NATS) emission unit code is available from the Clean Air Market web site under the Interactive Online Reports.

4. **OPTIONAL :** The following air emission unit(s) have been determined to meet the applicability requirements to be considered a 25-Ton Exempted Unit as provided in 9 VAC 5-140-40 B.1. To maintain this exemption it is the owner's responsibly to limit NO<sub>x</sub> emissions from these individual units to under 50 tpy and under 25 tons per NO<sub>x</sub> Control Period. (The owner can set a Control Period emission limit below 25 tons. This lower emission value will become an enforceable limit.)  
(9 VAC 5-140-40 B)

Table XII – 2 25-Ton Exempted Units			
Facility Unit ID	Unit NATS Code	Unit Name and description	NO <sub>x</sub> Control Period Emission Limit (tons)
			25 tons or less

5. **OPTIONAL:** The following equipment has met the requirements for Retirement Exemption from NO<sub>x</sub> Budget Trading program (9 VAC 5-140-50). This equipment will not emit any nitrogen oxides without prior notification to the permitting agency and modification to the operating permit.  
(9 VAC 5-140-50 C.1 and C.2 and 9 VAC 5-140-50 C.6.a and 6.b)

Table XII – 3 NO <sub>x</sub> Budget Retirement Exemption Units		
Facility Unit ID	EIA Code	Unit Name and description
		This optional section will be used during
	If available	Permit renewal. There is no need to declare retired
		Units in an initial permit application.

6. This NO<sub>x</sub> Budget permit will become effective on May 31, 2004.  
 (9 VAC 5-140-240.1)

{All trading permits issued after May 31, 2004 will become effective on either:

- May 1 for the year that the source is first active if the unit begin operations before the NO<sub>x</sub> Control Period.
- The day the unit commences operation if this date is within the NO<sub>x</sub> Control Period.
- May 1<sup>st</sup> of the following year if the unit starts operation after the NO<sub>x</sub> Control Period for the current calendar year.

Trading “permits” will thereafter be renewed with the remainder of the Federal Operating Permit Article 3.}

## B. Standard Requirements

### 1. Continuous Monitoring requirements.

- The owners and operators and, to the extent applicable, the NO<sub>x</sub> authorized account representative of each NO<sub>x</sub> Budget source and each NO<sub>x</sub> Budget unit at the source shall comply with the monitoring requirements of 9 VAC 5-140-700 et seq.  
 (9 VAC 5-140-60 B.1)
- The emissions measurements recorded and reported in accordance with (9 VAC 5-140-700 et seq.) (subparts H of 40 CFR 75 and 40 CFR 97) shall be used to determine compliance by the unit with the NO<sub>x</sub> Budget emissions limitation under Conditions XI.B.2.a. through XI.B.2.h. The following approved methods will be used to calculate NO<sub>x</sub> Control Period and Annual emission rates:  
 (9 VAC 5-140-60 B.2)

[The stack parameters can vary depending on the monitoring techniques chosen for the unit(s)].

Pollutant or Stack Parameter	CEM Monitoring Methods 40 CFR 75
	The continous monitoring equipment
	Or techniques will match the items listed
	In the Monitoring Plan supplied by the



	Owners
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2. Nitrogen oxides requirements.

- a. The owners and operators of each NO<sub>x</sub> Budget source and each NO<sub>x</sub> Budget unit at the source shall hold NO<sub>x</sub> allowances available for compliance deductions under 9 VAC 5-140-540 A, B, E, or F, as of the NO<sub>x</sub> allowance transfer deadline, in the unit's compliance account and the source's overdraft account in an amount not less than the total NO<sub>x</sub> emissions for the control period from the unit, as determined in accordance with Article 8 (9 VAC 5-140-700 et seq.), plus any amount necessary to account for actual utilization under 9 VAC 5-140-420 E for the control period or to account for excess emissions for a prior control period under 9 VAC 5-140-540 D or to account for withdrawal from the NO<sub>x</sub> Budget Trading Program, or a change in regulatory status, of a NO<sub>x</sub> Budget opt-in unit under 9 VAC 5-140-860 or 9 VAC 5-140-870.  
(9 VAC 5-140-60 C.1)
- b. Each ton of nitrogen oxides emitted in excess of the NO<sub>x</sub> Budget emissions limitation shall constitute a separate violation of the Clean Air Act, and applicable Virginia Air Pollution Control law.  
(9 VAC 5-140-60 C.2)
- c. A NO<sub>x</sub> Budget unit shall be subject to the requirements under 9 VAC 5-140-60 C.1 starting on the later of May \_\_, 20XX or the date on which the unit commences operation. (See condition XII A.6 on page 37, for determining the effective date of the trading permit)  
(9 VAC 5-140-60 C.3)
- d. NO<sub>x</sub> allowances shall be held in, deducted from, or transferred among NO<sub>x</sub> Allowance Tracking System accounts in accordance with 9 VAC 5-140-400 et seq., 9 VAC 5-140-500 et seq., 9 VAC 5-140-600 et seq., and 9 VAC 5-140-800 et seq..  
(9 VAC 5-140-60 C.4)
- e. A NO<sub>x</sub> allowance shall not be deducted, in order to comply with the requirements under 9 VAC 5-140-60 C.1 for a control period in a year prior to the year for which the NO<sub>x</sub> allowance was allocated.  
(9 VAC 5-140-60 C.5)
- f. A NO<sub>x</sub> allowance allocated by the permitting authority or the administrator under the NO<sub>x</sub> Budget Trading Program is a limited authorization to emit one ton of nitrogen oxides in accordance with the NO<sub>x</sub> Budget Trading Program. No provision of the NO<sub>x</sub> Budget Trading Program, the NO<sub>x</sub> Budget permit application, the NO<sub>x</sub> Budget permit, or an exemption under 9 VAC 5-140-50 and no provision of law shall be construed to limit the authority of the United States or the State to terminate or limit such authorization.  
(9 VAC 5-140-60 C.6)

- g. A NO<sub>x</sub> allowance allocated by the permitting authority or the administrator under the NO<sub>x</sub> Budget Trading Program does not constitute a property right.  
(9 VAC 5-140-60 C.7)
  - h. Upon recordation by the administrator under 9 VAC 5-140-500 et seq., 9 VAC 5-140-600 et seq., ~~or 9 VAC 5-140-800 et seq., every allocation, transfer, or deduction of a~~ NO<sub>x</sub> allowance to or from a NO<sub>x</sub> Budget unit's compliance account or the overdraft account of the source where the unit is located is deemed to amend automatically, and become a part of, any NO<sub>x</sub> Budget permit of the NO<sub>x</sub> Budget unit by operation of law without any further review.  
(9 VAC 5-140-60 C.8)
3. Excess emissions requirements.
- a. The owners and operators of a NO<sub>x</sub> Budget unit that has excess emissions in any control period shall:
    - 1. Surrender the NO<sub>x</sub> allowances required for deduction under 9 VAC 5-140-540 D 1; and
    - 2. Pay any fine, penalty, or assessment or comply with any other remedy imposed under 9 VAC 5-140-540 D 3.

(9 VAC 5-140-60 D)

### C. Standard Requirements for 25-Ton Exempted Units [ Optional ]

- 1. NO<sub>x</sub> emissions will be limited to less than \_\_\_\_\_ (25 or less) tons per NO<sub>x</sub> control period (May 1 to September 30) and less than 50 tons per year.
- 2. The NO<sub>x</sub> emission limitation under this subdivision shall restrict NO<sub>x</sub> emissions during the control period by limiting unit operating hours. The restriction on unit operating hours shall be calculated by dividing the NO<sub>x</sub> Control Period emission limit of \_\_\_\_\_ (25 tons or less) by the unit's maximum potential hourly NO<sub>x</sub> mass emissions, which shall equal the unit's maximum rated hourly heat input multiplied by the highest default NO<sub>x</sub> emission rate otherwise applicable to the unit under 40 CFR 75.19.  
(9 VAC 5-140-40 B.1)  
[Include the following federally enforceable permit restriction]
- 3. Based on the emission rate factor of \_\_\_\_\_ mmBTU/hr, the \_\_\_\_\_ shall not operate more than \_\_\_\_\_ hours per NO<sub>x</sub> Control Period and \_\_\_\_\_ hours per year.  
(9 VAC 5-140-40 B.1)]

#### **D. Recordkeeping and Reporting Requirements.**

The following requirements concerning recordkeeping and reporting shall apply:

1. Unless otherwise provided, the owners and operators of the NO<sub>x</sub> Budget source and each NO<sub>x</sub> Budget unit at the source shall keep on site at the source each of the following documents for a period of five years from the date the document is created. This period may be extended for cause, at any time prior to the end of five years, in writing by the permitting authority or the administrator.  
(9 VAC 5-140-60 E.1)
  - a. The account certificate of representation for the NO<sub>x</sub> authorized account representative for the source and each NO<sub>x</sub> Budget unit at the source and all documents that demonstrate the truth of the statements in the account certificate of representation, in accordance with 9 VAC 5-140-130; provided that the certificate and documents shall be retained on site at the source beyond such five-year period until such documents are superseded because of the submission of a new account certificate of representation changing the NO<sub>x</sub> authorized account representative.  
(9 VAC 5-140-60 E.1)
  - b. All emissions monitoring information, in accordance with 9 VAC 5-140-700 et seq. of this part; provided that to the extent that 9 VAC 5-140-700 et seq. provides for a three-year period for recordkeeping, the three-year period shall apply.  
(9 VAC 5-140-60 E.1)
  - c. Copies of all reports, compliance certifications, and other submissions and all records made or required under the NO<sub>x</sub> Budget Trading Program.  
(9 VAC 5-140-60 E.1)
  - d. Copies of all documents used to complete a NO<sub>x</sub> Budget permit application and any other submission under the NO<sub>x</sub> Budget Trading Program or to demonstrate compliance with the requirements of the NO<sub>x</sub> Budget Trading Program.  
(9 VAC 5-140-60 E.1)
2. The NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> Budget source and each NO<sub>x</sub> Budget unit at the source shall submit the reports and compliance certifications required under the NO<sub>x</sub> Budget Trading Program, including those under 9 VAC 5-140-300 et seq., 9 VAC 5-140-700 et seq., or 9 VAC 5-140-800 et seq.  
(9 VAC 5-140-60 E.2)

#### **E. Testing for CEM Certification**

1. The permitted facility shall be constructed so as to allow for emissions testing at any time using appropriate methods. Upon request from the Department, test ports will be provided at the appropriate locations.  
[9 VAC 5-40-30 or 9 VAC 5-50-30] and 9 VAC 5-140-710)]

2. If testing is conducted in addition to the monitoring specified in this permit, the permittee shall use the following test methods in accordance with procedures approved by the DEQ as follows:

[The following table will list the stack testing procedures to be used to certify the CEM(s) or other continuous monitoring technique(s). The methods listed will match the procedures included in the CEM Certification Protocol and QA/QC Monitoring plan].

Pollutant or Stack Parameter	CEM Certification Test Method
	40 CFR 60
	USEPA Method _____
	USEPA Method _____
	USEPA Method _____
	USEPA Method _____
	USEPA Method _____

(9 VAC 5-140-700 to 710)

#### F. Liability

1. Any person who knowingly violates any requirement or prohibition of the NO<sub>x</sub> Budget Trading Program, a NO<sub>x</sub> Budget permit, or an exemption under 9 VAC 5-140-50 shall be subject to enforcement pursuant to applicable State or Federal law.  
(9 VAC 5-140-60 F.1)
2. Any person who knowingly makes a false material statement in any record, submission, or report under the NO<sub>x</sub> Budget Trading Program shall be subject to criminal enforcement pursuant to the applicable State or Federal law.  
(9 VAC 5-140-60 F.2)
3. No permit revision shall excuse any violation of the requirements of the NO<sub>x</sub> Budget Trading Program that occurs prior to the date that the revision takes effect.  
(9 VAC 5-140-60 F.3)
4. Each NO<sub>x</sub> Budget source and each NO<sub>x</sub> Budget unit shall meet the requirements of the NO<sub>x</sub> Budget Trading Program.  
(9 VAC 5-140-60 F.4)
5. Any provision of the NO<sub>x</sub> Budget Trading Program that applies to a NO<sub>x</sub> Budget source or the NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> Budget source shall also apply to the owners and operators of such source and of the NO<sub>x</sub> Budget units at the source.  
(9 VAC 5-140-60 F.5)
6. Any provision of the NO<sub>x</sub> Budget Trading Program that applies to a NO<sub>x</sub> Budget unit or the NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> budget unit shall also apply to the owners and operators of such unit. Except with regard to the requirements applicable to units with a common stack under Article 8 (9 VAC 5-140-700 et seq.), the owners and operators and the NO<sub>x</sub> authorized account representative of one NO<sub>x</sub> Budget unit shall

not be liable for any violation by any other NO<sub>x</sub> Budget unit of which they are not owners or operators or the NO<sub>x</sub> authorized account representative and that is located at a source of which they are not owners or operators or the NO<sub>x</sub> authorized account representative.  
(9 VAC 5-140-60 F.6)

**G. Effect on Other Authorities.**

No provision of the NO<sub>x</sub> Budget Trading Program, a NO<sub>x</sub> Budget permit application, a NO<sub>x</sub> Budget permit, or an exemption under 9 VAC 5-140-50 shall be construed as exempting or excluding the owners and operators and, to the extent applicable, the NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> Budget source or NO<sub>x</sub> Budget unit from compliance with any other provision of the applicable, approved State implementation plan, a federally enforceable permit, or the Clean Air Act.  
(9 VAC 5-140-60 G)

**XII. State-Only Enforceable Requirements [ Optional ]**

The following terms and conditions are not required under the federal Clean Air Act or under any of its applicable federal requirements, and are not subject to the requirements of 9 VAC 5-80-690 concerning review of proposed permits by EPA and draft permits by affected states.

1. Odor.....
2. State toxics rule.....
3. other citation as needed ....  
(9 VAC 5-80-490 N and 9 VAC 5-80-700)

Edited on Tuesday, October 28, 2003

**The following State Operating Permit for NO<sub>x</sub> Budget Trading Units was edited on Tuesday, October 28, 2003. This edition replaces all earlier versions of this document to include the SOP attached to the Permit Writer's Guide to the NO<sub>x</sub> Budget Trading Program dated February 7, 2003.**

**The document has been updated to match the recent suggestions received for the Article 3 Federal Operating Permit.**

**Remember, the use of this boilerplate will be limited to Budget Units operating on May 31, 2004 that have not yet been issued their final Article 1 Federal Operating Permit (Title V) or their Article 3 FOP (Acid Rain). This SOP will be superseded when either of these permits is issued to the facility.**

**Frank Burbank  
804-698-4115**

Edited on Tuesday, October 28, 2003

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EXAMPLE

{Instructions, information and editorial descriptions are provided within brackets, and in Red Font. These blocks are to be deleted prior to issuing of the permit. Areas in Blue Font are areas to be completed by the permit writer that are either optional or where they are provided more than one choice. }

## **VIRGINIA STATE OPERATING PERMIT**

### **This permit includes designated equipment subject to Nitrogen Oxides Budget Trading Program**

This permit supersedes your permit dated \_\_\_\_\_.

In compliance with the Federal Clean Air Act and the Commonwealth of Virginia Regulations for the Control and Abatement of Air Pollution,

<<Company Name>>

<<Mailing Address>>

<<City>> <<State>> <<ZIP>>

Registration No.: \_\_\_\_\_

County ID No.: \_\_\_\_\_

is authorized to operate

<<Facility Type or Description>>

located at

<<Street Address or Map Coordinates>>

in accordance with the Conditions of this permit.

Approved on \_\_\_\_\_ (Date)

Robert G. Burnley  
Director, Department of Environmental Quality

Permit consists of \_\_\_\_\_ pages.

Permit Conditions 1 to \_\_\_\_\_

[Source Testing Report Format.]



**PERMIT CONDITIONS** - the regulatory reference or authority for each condition is listed in parentheses ( ) after each condition. This permit is issued under the authority of 9 VAC 5-80-800 C to implement the requirements of an air emissions trading program.

### **APPLICATION**

1. Except as specified in this permit, the permitted facility is to be constructed and operated as represented in the permit application dated \_\_\_\_\_, 20XX [, including amendment information dated \_\_\_\_\_, 20XX]. Any changes in the permit application specifications or any existing facilities which alter the impact of the facility on air quality may require a permit. Failure to obtain such a permit prior to construction may result in enforcement action.  
(9 VAC 5-80-830)

Refer to the Emission Unit Table on the following page.

2. **[Optional] Testing/Monitoring Ports** - The permitted facility shall be constructed so as to allow for emissions testing [and monitoring] upon reasonable notice at any time, using appropriate methods. [This includes constructing the facility such that volumetric flow rates and pollutant emission rates can be accurately determined by applicable test methods and providing stack or duct that is free from cyclonic flow.] Test ports shall be provided when requested [at the \_\_\_\_\_ or at the appropriate locations or in accordance with the applicable performance specification (reference 40 CFR Part 60, Appendix B)].  
(9 VAC 5-80-930)

### **GENERAL CONDITIONS**

3. **Right of Entry** - The permittee shall allow authorized local, state, and federal representatives, upon the presentation of credentials:
  - a. To enter upon the permittee's premises on which the facility is located or in which any records are required to be kept under the terms and conditions of this permit;
  - b. To have access to and copy at reasonable times any records required to be kept under the terms and conditions of this permit or the State Air Pollution Control Board Regulations;
  - c. To inspect at reasonable times any facility, equipment, or process subject to the terms and conditions of this permit or the State Air Pollution Control Board Regulations; and
  - d. To sample or test at reasonable times.

For purposes of this condition, the time for inspection shall be deemed reasonable during regular business hours or whenever the facility is in operation. Nothing contained herein shall make an inspection time unreasonable during an emergency.  
(9 VAC 5-170-130)

Edited on Tuesday, October 28, 2003

Company / Facility Name  
Registration Number: 000  
Page 2

## Emission Units

Equipment to be operated consists of: {Shaded areas are for instruction purposes and are not intended to be included in the draft or final permit. Insert additional rows as needed. Include a dash (-) or N/A for any inapplicable sections.

Emission Unit ID	Stack ID	Emission Unit Description	Size/Rated Capacity	Pollution Control Device Description (PCD)	PCD ID	Pollutant Controlled	Applicable Permit Date *
Provide the emission unit reference number.	Provide the stack number for the emission unit.	Provide a brief description of unit including manufacturer's name, model and date of construction if known.	Size and maximum rated capacity in units consistent with the standard or industry convention.	Provide brief description of control device including manufacturer's name, model number and date of construction if known.	Provide the PCD identification number.	Identify pollutant controlled.	Date of current permit and amendments that did not supersede permit. *
Fuel Burning Equipment / Utility Units							

\* Note: If more than one date is included, please add footnote clarifying which date is for permit and which dates are for amendments.

4. **[Optional] Notification for Control Equipment Maintenance** - The permittee shall furnish notification to the VADEQ Regional Office of the intention to shut down or bypass, or both, air pollution control equipment for necessary scheduled maintenance, which results in excess emissions for more than one hour, at least 24 hours prior to the shutdown. The notification shall include, but is not limited to, the following information:

- a. Identification of the air pollution control equipment to be taken out of service, as well as its location, and registration number;
  - b. The expected length of time that the air pollution control equipment will be out of service;
  - c. The nature and quantity of emissions of air pollutants likely to occur during the shutdown period;
  - d. Measures that will be taken to minimize the length of the shutdown or to negate the effect of the outage.
- (9 VAC 5-20-180 B)

5. **Notification for Facility or Control Equipment Malfunction** - The permittee shall furnish notification to the VADEQ Regional Office of malfunctions of the affected facility or related air pollution control equipment that may cause excess emissions for more than one hour, by facsimile transmission, telephone or telegraph. Such notification shall be made as soon as practicable but no later than four daytime business hours after the malfunction is discovered. The permittee shall provide a written statement giving all pertinent facts, including the estimated duration of the breakdown, within two weeks of discovery of the malfunction. When the condition causing the failure or malfunction has been corrected and the equipment is again in operation, the permittee shall notify VADEQ Regional Office in writing.

(9 VAC 5-20-180 C)

6. **[Optional] Facility or Control Equipment Malfunction - Hazardous Air Pollutant Processes** - The process(es) listed below shall, upon request of the Department, shut down immediately if its emissions increase in any amount because of a bypass, malfunction, shutdown or failure of the process or its associated air pollution control equipment. The process(es) shall not return to operation until it and the associated air pollution control equipment are able to operate in the proper manner.

[list equipment subject to state standards for HAPs]

a. \_\_\_\_\_

b. \_\_\_\_\_

(9 VAC 5-20-180 F 3)

7. **Violation of Ambient Air Quality Standard** - The permittee shall, upon request of the DEQ, reduce the level of operation or shut down a facility, as necessary to avoid violating any primary ambient air quality standard and shall not return to normal operation until such time as the ambient air quality standard will not be violated. (9 VAC 5-20-180 I)

8. **[Optional] Maintenance/Operating Procedures** - The permittee shall take the following measures in order to minimize the duration and frequency of excess emissions, with respect to air pollution control equipment [, monitoring devices,] and process equipment which affect such emissions:

- a. Develop a maintenance schedule and maintain records of all scheduled and non-scheduled maintenance.
- b. Maintain an inventory of spare parts.
- c. Have available written operating procedures for equipment. These procedures shall be based on the manufacturer's recommendations, at a minimum.
- d. Train operators in the proper operation of all such equipment and familiarize the operators with the written operating procedures. The permittee shall maintain records of the training provided including the names of trainees, the date of training and the nature of the training.

Records of maintenance and training shall be maintained on site for a period of five years and shall be made available to DEQ personnel upon request.  
(9 VAC 5-50-20 E)

9. **Permit Suspension/Revocation** - This permit may be suspended or revoked if the permittee:
- a. Knowingly makes material misstatements in the application for this permit or any amendments to it;
  - b. Fails to comply with the terms or conditions of this permit;
  - c. Fails to comply with any emission standards applicable to the equipment listed in Condition 2;
  - d. Causes emissions from this facility which result in violations of, or interferes with the attainment and maintenance of, any ambient air quality standard;
  - e. Fails to operate this facility in conformance with any applicable control strategy, including any emission standards or emission limitations, in the State Implementation Plan in effect on the date that the application for this permit is submitted;
  - f. Fails to comply with the applicable provisions of 9 VAC 5-80-10, and Article 8 and Article 9 of 9 VAC 5 Chapter 80.  
(9 VAC 5-80-1010)

**10. Change of Ownership** - In the case of a transfer of ownership of a stationary source, the new owner shall abide by any current permit issued to the previous owner. The new owner shall notify the «Region» VADEQ Regional Office of the change of ownership within 30 days of the transfer.  
(9 VAC 5-80-940)

**11. Registration/Update** - Annual requirements to fulfill legal obligations to maintain current stationary source emissions data will necessitate a prompt response by the permittee to requests by the DEQ or the Board for information to include, as appropriate: process and production data; changes in control equipment; and operating schedules. Such requests for information from the DEQ will either be in writing or by personal contact. The availability of information submitted to the DEQ or the Board will be governed by applicable provisions of the Freedom of Information Act, §§ 2.1-340 through 2.1-348 of the Code of Virginia, § 10.1-1314 (addressing information provided to the Board) of the Code of Virginia, and 9 VAC 5-170-60 of the State Air Pollution Control Board Regulations. Information provided to federal officials is subject to appropriate federal law and regulations governing confidentiality of such information.  
(9 VAC 5-80-900)

**12. Permit Copy** - The permittee shall keep a copy of this permit on the premises of the facility to which it applies.  
(9 VAC 5-80-860 D)

[The following two conditions are required by the NO<sub>x</sub> Budget Trading requirements. These conditons are to be included when the fuel burning equipment will be listed as 25-ton exemptions and/or LME Units. ]

**13. (Optional) NO<sub>x</sub> Budget Trading Sources Requirements – 25-Ton Exempted Unit**

**(emission unit ID#)**

1. The unit has been classified as a 25-ton Exempted Unit under the NO<sub>x</sub> Budget Trading Program. NO<sub>x</sub> emissions will be limited to less than 25-tons during the NO<sub>x</sub> Control Period, and 50-tons per year as per 9 VAC 5-140-40 B.1. The unit will be limited to (gas or fuel oil). Based on the maximum rated heat input (\_\_\_\_\_mmBTU/hr) multiplied by the highest default NO<sub>x</sub> emission rate (\_\_\_\_\_lbs/mmBTU) the\_\_\_\_\_(name)\_\_\_\_\_ shall not operate more than\_\_\_\_\_ hours per NO<sub>x</sub> Control Period, and no more than \_\_\_\_\_ hours per year.  
(9 VAC 5-140-40 B.5)

#### 14. Phase II Acid Rain Allowances and Requirements

{A valid PHASE II Acid Rain Permit should be in effect at the time this SGP/ NO<sub>x</sub> Budget Trading Permit has been prepared. It should be attached to this document. The following text should be used.}

**Phase II Acid Rain Permit** - The attached Phase II Acid Rain permit is incorporated into this permit by reference, [including the attached NO<sub>x</sub> Compliance Plan] [and attached NO<sub>x</sub> Averaging Plan]. The owners and operators of the source shall comply with the standard requirements and special provisions set forth in the application.  
(9 VAC 5-80-440 and 9 VAC 5-80-490 A.4.a and c, B, C, E, F, M, O and P) ]

#### 15. NO<sub>x</sub> Budget Program Requirements

##### A. NO<sub>x</sub> Budget Permit General Conditions

1. A review of the air emission units included in this permit approval has determined that the equipment listed in the following table meets the definition of a NO<sub>x</sub> Budget Unit and falls subject to the NO<sub>x</sub> Budget emission limitations under 9 VAC 5-140-40 or for opt-in sources 9 VAC 5-140-800. As required by 9 VAC 5-140-200 A, each NO<sub>x</sub> Budget source is required to have a federally enforceable permit. This section of the document represents the NO<sub>x</sub> Budget permit.  
(9 VAC 5-140-40) or (9 VAC 5-140-800)
2. The NO<sub>x</sub> Budget permit will be administrated by the VADEQ under the authority of 9 VAC 5-80-360 et seq., and 9 VAC 5-140-10 et seq.  
(9 VAC 5-140-200 A)
3. The following air emission unit(s) have been determined to meet the applicability requirements as provided in 9 VAC 5-140-40 A.1 and A.2. Units that do not meet this definition, are not defined as 25-Ton Exemption Units and are not permanently shutdown can be included in the NO<sub>x</sub> Budget Trading program as "opt-in" air emission sources.  
(9 VAC 5-140-40 A) for Opt-In sources (9 VAC 5-140-800).

Table XII – 1 Facility NO <sub>x</sub> Budget Units				
Facility Unit ID	Unit NATS Code	Unit Name and description	Maximum Heat Capacity (MMBtu/hr)	Maximum Generation Capacity (megawatts)
		"Opt-in" sources and Low Mass Emission Units are considered NO <sub>x</sub> Budget Units. Include them in this table.		If applicable

The NO<sub>x</sub> Allowance Trading System (NATS) emission unit code is available from the Clean Air Market web site under the Interactive Online Reports.

4. **OPTIONAL :** The following air emission unit(s) have been determined to meet the applicability requirements to be considered a 25-Ton Exempted Unit as provided in 9 VAC 5-140-40 B.1. To maintain this exemption it is the owner's responsibility to limit NO<sub>x</sub> emissions from these individual units to under 50 tpy and under 25 tons per NO<sub>x</sub> Control Period. (The owner can set a Control Period emission limit below 25 tons. This lower emission value will become an enforceable limit.)  
(9 VAC 5-140-40 B)

Table XII – 2 25-Ton Exempted Units			
Facility Unit ID	Unit NATS Code	Unit Name and description	NO <sub>x</sub> Control Period Emission Limit (tons)
			25 tons or less

5. **OPTIONAL:** The following equipment has met the requirements for Retirement Exemption from NO<sub>x</sub> Budget Trading program (9 VAC 5-140-50). This equipment will not emit any nitrogen oxides without prior notification to the permitting agency and modification to the operating permit.  
(9 VAC 5-140-50 C.1 and C.2 and 9 VAC 5-140-50 C.6.a and 6.b)

Table XII – 3 NO <sub>x</sub> Budget Retirement Exemption Units		
Facility Unit ID	EIA Code	Unit Name and description
		This optional section will be used during Permit renewal. There is no need to declare retired Units in an initial permit application.
	If available	

6. This NO<sub>x</sub> Budget permit will become effective on May 31, 2004.  
(9 VAC 5-140-240.1)

{All trading permits issued after May 31, 2004 will become effective on either:

- May 1 for the year that the source is first active if the unit begin operations before the NO<sub>x</sub> Control Period.
- The day the unit commences operation if this date is within the NO<sub>x</sub> Control Period.
- May 1<sup>st</sup> of the following year if the unit starts operation after the NO<sub>x</sub> Control Period for the current calendar year.

Trading "permits" will thereafter be renewed with the remainder of the Federal Operating Permit Article 3.}

## B. Standard Requirements

### 1. Continuous Monitoring requirements.

- a. The owners and operators and, to the extent applicable, the NO<sub>x</sub> authorized account representative of each NO<sub>x</sub> Budget source and each NO<sub>x</sub> Budget unit at the source shall comply with the monitoring requirements of 9 VAC 5-140-700 et seq. (9 VAC 5-140-60 B.1)
- b. The emissions measurements recorded and reported in accordance with (9 VAC 5-140-700 et seq.) (subparts H of 40 CFR 75 and 40 CFR 97) shall be used to determine compliance by the unit with the NO<sub>x</sub> Budget emissions limitation under Conditions XI.B.2.a. through XI.B.2.h. The following approved methods will be used to calculate NO<sub>x</sub> Control Period and Annual emission rates: (9 VAC 5-140-60 B.2)

[The stack parameters can vary depending on the monitoring techniques chosen for the unit(s)].

Pollutant or Stack Parameter	CEM Monitoring Methods 40 CFR 75
	The continous monitoring equipment
	Or techniques will match the items listed
	In the Monitoring Plan supplied by the
	Owners

### 2. Nitrogen oxides requirements.

- a. The owners and operators of each NO<sub>x</sub> Budget source and each NO<sub>x</sub> Budget unit at the source shall hold NO<sub>x</sub> allowances available for compliance deductions under 9 VAC 5-140-540 A, B, E, or F, as of the NO<sub>x</sub> allowance transfer deadline, in the unit's compliance account and the source's overdraft account in an amount not less than the total NO<sub>x</sub> emissions for the control period from the unit, as determined in accordance with Article 8 (9 VAC 5-140-700 et seq.), plus any amount necessary to account for actual utilization under 9 VAC 5-140-420 E for the control period or to account for excess emissions for a prior control period under 9 VAC 5-140-540 D or to account for withdrawal from the NO<sub>x</sub> Budget Trading Program, or a change in regulatory status, of a NO<sub>x</sub> Budget opt-in unit under 9 VAC 5-140-860 or 9 VAC 5-140-870. (9 VAC 5-140-60 C.1)



- b. Each ton of nitrogen oxides emitted in excess of the NO<sub>x</sub> Budget emissions limitation shall constitute a separate violation of the Clean Air Act, and applicable Virginia Air Pollution Control law.  
(9 VAC 5-140-60 C.2)
- c. A NO<sub>x</sub> Budget unit shall be subject to the requirements under 9 VAC 5-140-60 C.1 starting on the later of ~~May~~, 20XX or the date on which the unit commences operation. (See condition XII A.6 on page 37, for determining the effective date of the trading permit)  
(9 VAC 5-140-60 C.3)
- d. NO<sub>x</sub> allowances shall be held in, deducted from, or transferred among NO<sub>x</sub> Allowance Tracking System accounts in accordance with 9 VAC 5-140-400 et seq., 9 VAC 5-140-500 et seq., 9 VAC 5-140-600 et seq., and 9 VAC 5-140-800 et seq..  
(9 VAC 5-140-60 C.4)
- e. A NO<sub>x</sub> allowance shall not be deducted, in order to comply with the requirements under 9 VAC 5-140-60 C.1 for a control period in a year prior to the year for which the NO<sub>x</sub> allowance was allocated.  
(9 VAC 5-140-60 C.5)
- f. A NO<sub>x</sub> allowance allocated by the permitting authority or the administrator under the NO<sub>x</sub> Budget Trading Program is a limited authorization to emit one ton of nitrogen oxides in accordance with the NO<sub>x</sub> Budget Trading Program. No provision of the NO<sub>x</sub> Budget Trading Program, the NO<sub>x</sub> Budget permit application, the NO<sub>x</sub> Budget permit, or an exemption under 9 VAC 5-140-50 and no provision of law shall be construed to limit the authority of the United States or the State to terminate or limit such authorization.  
(9 VAC 5-140-60 C.6)
- g. A NO<sub>x</sub> allowance allocated by the permitting authority or the administrator under the NO<sub>x</sub> Budget Trading Program does not constitute a property right.  
(9 VAC 5-140-60 C.7)
- h. Upon recordation by the administrator under 9 VAC 5-140-500 et seq., 9 VAC 5-140-600 et seq., or 9 VAC 5-140-800 et seq., every allocation, transfer, or deduction of a NO<sub>x</sub> allowance to or from a NO<sub>x</sub> Budget unit's compliance account or the overdraft account of the source where the unit is located is deemed to amend automatically, and become a part of, any NO<sub>x</sub> Budget permit of the NO<sub>x</sub> Budget unit by operation of law without any further review.  
(9 VAC 5-140-60 C.8)

3. Excess emissions requirements.

- a. The owners and operators of a NO<sub>x</sub> Budget unit that has excess emissions in any control period shall:

1. Surrender the NOX allowances required for deduction under 9 VAC 5-140-540 D 1; and

2. Pay any fine, penalty, or assessment or comply with any other remedy imposed under 9 VAC 5-140-540 D 3.

(9 VAC 5-140-60 D)

**C. Standard Requirements for 25-Ton Exempted Units [ Optional ]**

1. NO<sub>x</sub> emissions will be limited to less than \_\_\_\_\_ (25 or less) tons per NO<sub>x</sub> control period (May 1 to September 30) and less than 50 tons per year.
2. The NO<sub>x</sub> emission limitation under this subdivision shall restrict NO<sub>x</sub> emissions during the control period by limiting unit operating hours. The restriction on unit operating hours shall be calculated by dividing the NO<sub>x</sub> Control Period emission limit of \_\_\_\_\_ (25 tons or less) by the unit's maximum potential hourly NO<sub>x</sub> mass emissions, which shall equal the unit's maximum rated hourly heat input multiplied by the highest default NO<sub>x</sub> emission rate otherwise applicable to the unit under 40 CFR 75.19.

(9 VAC 5-140-40 B.1)

[Include the following federally enforceable permit restriction]

3. Based on the emission rate factor of \_\_\_\_\_ mmBTU/hr, the \_\_\_\_\_ shall not operate more than \_\_\_\_\_ hours per NO<sub>x</sub> Control Period and \_\_\_\_\_ hours per year.

(9 VAC 5-140-40 B.1)]

**D. Recordkeeping and Reporting Requirements.**

The following requirements concerning recordkeeping and reporting shall apply:

1. Unless otherwise provided, the owners and operators of the NO<sub>x</sub> Budget source and each NO<sub>x</sub> Budget unit at the source shall keep on site at the source each of the following documents for a period of five years from the date the document is created. This period may be extended for cause, at any time prior to the end of five years, in writing by the permitting authority or the administrator.

(9 VAC 5-140-60 E.1)

- a. The account certificate of representation for the NO<sub>x</sub> authorized account representative for the source and each NO<sub>x</sub> Budget unit at the source and all documents that demonstrate the truth of the statements in the account certificate of representation, in accordance with 9 VAC 5-140-130; provided that the certificate and documents shall be retained on site at the source beyond such five-year period until such documents are superseded because of the submission of a new account certificate of representation changing the NO<sub>x</sub> authorized account representative. (9 VAC 5-140-60 E.1)
- b. All emissions monitoring information, in accordance with 9 VAC 5-140-700 et seq. of this part; provided that to the extent that 9 VAC 5-140-700 et seq. provides for a three-year period for recordkeeping, the three-year period shall apply.

(9 VAC 5-140-60 E.1)

- c. Copies of all reports, compliance certifications, and other submissions and all records made or required under the NO<sub>x</sub> Budget Trading Program. (9 VAC 5-140-60 E.1)
  - d. Copies of all documents used to complete a NO<sub>x</sub> Budget permit application and any other submission under the NO<sub>x</sub> Budget Trading Program or to demonstrate compliance with the requirements of the NO<sub>x</sub> Budget Trading Program. (9 VAC 5-140-60 E.1)
2. The NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> Budget source and each NO<sub>x</sub> Budget unit at the source shall submit the reports and compliance certifications required under the NO<sub>x</sub> Budget Trading Program, including those under 9 VAC 5-140-300 et seq., 9 VAC 5-140-700 et seq., or 9 VAC 5-140-800 et seq. (9 VAC 5-140-60 E.2)

#### E. Testing for CEM Certification

1. The permitted facility shall be constructed so as to allow for emissions testing at any time using appropriate methods. Upon request from the Department, test ports will be provided at the appropriate locations.  
[9 VAC 5-40-30 or 9 VAC 5-50-30] and 9 VAC 5-140-710)]
2. If testing is conducted in addition to the monitoring specified in this permit, the permittee shall use the following test methods in accordance with procedures approved by the DEQ as follows:

[The following table will list the stack testing procedures to be used to certify the CEM(s) or other continuous monitoring technique(s). The methods listed will match the procedures included in the CEM Certification Protocol and QA/QC Monitoring plan].

Pollutant or Stack Parameter	CEM Certification Test Method 40 CFR 60
	USEPA Method ____
	USEPA Method ____
	USEPA Method ____
	USEPA Method ____
	USEPA Method ____

(9 VAC 5-140-700 to 710)

#### F. Liability

1. Any person who knowingly violates any requirement or prohibition of the NO<sub>x</sub> Budget Trading Program, a NO<sub>x</sub> Budget permit, or an exemption under 9 VAC 5-140-50 shall be subject to enforcement pursuant to applicable State or Federal law.

(9 VAC 5-140-60 F.1)

2. Any person who knowingly makes a false material statement in any record, submission, or report under the NO<sub>x</sub> Budget Trading Program shall be subject to criminal enforcement pursuant to the applicable State or Federal law.  
(9 VAC 5-140-60 F.2)
3. No permit revision shall excuse any violation of the requirements of the NO<sub>x</sub> Budget Trading Program that occurs prior to the date that the revision takes effect.  
(9 VAC 5-140-60 F.3)
4. Each NO<sub>x</sub> Budget source and each NO<sub>x</sub> Budget unit shall meet the requirements of the NO<sub>x</sub> Budget Trading Program.  
(9 VAC 5-140-60 F.4)
5. Any provision of the NO<sub>x</sub> Budget Trading Program that applies to a NO<sub>x</sub> Budget source or the NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> Budget source shall also apply to the owners and operators of such source and of the NO<sub>x</sub> Budget units at the source.  
(9 VAC 5-140-60 F.5)
6. Any provision of the NO<sub>x</sub> Budget Trading Program that applies to a NO<sub>x</sub> Budget unit or the NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> budget unit shall also apply to the owners and operators of such unit. Except with regard to the requirements applicable to units with a common stack under Article 8 (9 VAC 5-140-700 et seq.), the owners and operators and the NO<sub>x</sub> authorized account representative of one NO<sub>x</sub> Budget unit shall not be liable for any violation by any other NO<sub>x</sub> Budget unit of which they are not owners or operators or the NO<sub>x</sub> authorized account representative and that is located at a source of which they are not owners or operators or the NO<sub>x</sub> authorized account representative.  
(9 VAC 5-140-60 F.6)

**G. Effect on Other Authorities.**

No provision of the NO<sub>x</sub> Budget Trading Program, a NO<sub>x</sub> Budget permit application, a NO<sub>x</sub> Budget permit, or an exemption under 9 VAC 5-140-50 shall be construed as exempting or excluding the owners and operators and, to the extent applicable, the NO<sub>x</sub> authorized account representative of a NO<sub>x</sub> Budget source or NO<sub>x</sub> Budget unit from compliance with any other provision of the applicable, approved State implementation plan, a federally enforceable permit, or the Clean Air Act.

(9 VAC 5-140-60 G)

**16. State-Only Enforceable Requirements [ Optional ]**

The following terms and conditions are not required under the federal Clean Air Act or under any of its applicable federal requirements, and are not subject to the requirements of 9 VAC 5-80-690 concerning review of proposed permits by EPA and draft permits by affected states.

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Company / Facility Name

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1. Odor.....
2. State toxics rule.....
3. other citation as needed ....  
(9 VAC 5-80-490 N and 9 VAC 5-80-700)

EXAMPLE

**[Optional] SOURCE TESTING REPORT FORMAT**

Cover

1. Plant name and location
2. Units tested at source (indicate Ref. No. used by source in permit or registration)
3. Tester; name, address and report date

Certification

1. Signed by team leader / certified observer (include certification date)
- \* 2. Signed by reviewer

Introduction

1. Test purpose
2. Test location, type of process
3. Test dates
- \* 4. Pollutants tested
5. Test methods used
6. Observers' names (industry and agency)
7. Any other important background information

Summary of Results

1. Pollutant emission results / visible emissions summary
2. Input during test vs. rated capacity
3. Allowable emissions
- \* 4. Description of collected samples, to include audits when applicable
5. Discussion of errors, both real and apparent

Source Operation

1. Description of process and control devices
2. Process and control equipment flow diagram
3. Process and control equipment data

\* Sampling and Analysis Procedures

1. Sampling port location and dimensioned cross section
2. Sampling point description
3. Sampling train description
4. Brief description of sampling procedures with discussion of deviations from standard methods
5. Brief description of analytical procedures with discussion of deviation from standard methods

Appendix

- \* 1. Process data and emission results example calculations
2. Raw field data
- \* 3. Laboratory reports
4. Raw production data
- \* 5. Calibration procedures and results
6. Project participants and titles
7. Related correspondence
8. Standard procedures

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\* Not applicable to visible emission evaluations.

EXAMPLE

## **Appendix C**

### **Checklists and Notices**

- Certification Application Review Checklist for the NOx Budget Trading Program
- Monitoring Plan Review Checklist for NOx Budget Trading Program
- USEPA Certification Application OMB No. 2060-0258



## Certification Application Review Checklist for the NO<sub>x</sub> Budget Trading Program

Plant Name	Oris Code	Unit/Pipe ID

### AAR Signature and Certification

	Yes	No	N/A
Was the submission signed by the AAR?			
Was there a certification statement included?			
Was the EPA Form 7610-14 submitted?			
Was the certification application submitted within 45 days of the final certification test?			

### Electronic Application Materials

	Yes	No	N/A
Was the electronic version of the certification application sent to CAMD?			
Was feedback received from CAMD?			
Is the monitoring plan representative of the installed CEMS?			
Have all stacks and emission points, including bypass stacks, been accounted for in the monitoring plan?			
Do the Unit ID's match those supplied by CAMD?			
Is each of the required tests reported in the electronic certification application?			
Is there any MDC monitoring plan errors that have not been corrected?			
Is there any MDC QA evaluation errors that need correcting?			
Does the electronic certification application pass review by the Monitoring Data Checking Software (MDC)?			

### Hardcopy Report (general)

	Yes	No	N/A
Has a test report for each of the required tests been submitted?			
Was the test protocol and reference method procedures followed?			
Does data in the hardcopy submission match the electronic portion?			
Are the reference method and CEMS on the same moisture basis?			
If moisture corrections were made, was an impinger method used to determine the moisture content of the flue?			
Did the tester use protocol gases to calibrate the reference method?			
Does the CEMS use protocol gases for daily calibrations?			
Does the CEMS use zero air material as defined in §72.2 for daily zero calibrations?			
Was a NO <sub>x</sub> converter used when the reference method was performed?			
If NO <sub>x</sub> span ≤ 30 ppm in a NO <sub>x</sub> -diluent system, was the required linearity performed on the diluent monitor? (CO <sub>2</sub> or O <sub>2</sub> )			

Is a Data Acquisition and Handling System (DAHS) formula verification included?			
Was the DAHS formula verification acceptable?			

### Hardcopy Certification Testing Review

Indicate for each system if the required certification tests have been performed correctly and passed. (PASS, FAIL, N/A)				
SYSTEM ID				
System Parameter*				
7-Day Cal Error Test				
Cycle Time Test				
Linearity Check				
RATA				
Bias Check				
Date that all tests for the system were completed?				
Recommend approval of the system for certification?				

Indicate for each system if the required certification tests have been performed correctly and passed. (PASS, FAIL, N/A)				
SYSTEM ID				
System Parameter				
7-Day Cal Error Test				
Cycle Time Test				
Linearity Check				
RATA				
Bias Check				
Date that all tests for the system were completed?				
Recommend approval of the system for certification?				

\*System Parameters include: NOx Concentration (NOXC), NOx Emission Rate (NOXR), CO2 diluent (CO2), O2 diluent (O2), Stack Flow (FLOW), Oil fuel flow (OIL), Gas fuel flow (GAS), Moisture monitoring system (H2O). See also January 24, 2001, Revised EDR v2.1 Instructions: RT510 System Parameter Monitored (17) for complete list of possible system parameters.

Reviewer	Agency	E-mail or Phone no.	Date

Revised 10-10-01

### Monitoring Plan Review Checklist for NOx Budget Trading Program

Plant Name	Oris Code	Unit/Pipe ID

#### AAR Signature and Certification

	Yes	No	N/A
Was the submission signed by the AAR?			
Was there a certification statement included?			

#### Schematic Diagrams

	Yes	No	N/A
Are all emissions from affected units monitored?			
Are all required CEMS's represented for each unit or common stack?			
Are all control systems represented?			
Do the diagrams or drawings show upstream and downstream flow disturbances around sampling locations?			
Are all oil and gas fuel (Appendix D only) supply lines and flowmeters clearly shown?			

#### Flow Monitor Location - part 75, Appendix A, section 1.2

	Yes	No	N/A
Are the inside cross-sectional areas of each flue at the flow monitor location included?			
Are the inside cross-sectional areas of each flue at the flue exhaust included?			

#### Alternative Flow Monitor Location Petition

	Yes	No	N/A
Is there a petition for an alternative monitoring site?			
Does the information demonstrate an acceptable alternative location?			

#### Data Flow Diagram

	Yes	No	N/A
Does the diagram illustrate the full information flow path?			

#### Span Calculations

	Yes	No	N/A
Was the MPC and span for NOx concentration monitor determined in accordance with part 75, appendix A, sections 2.1 and 2.1.2?			
If there is a NOx control device was a MEC calculated?			
Is a dual-range monitor required?			

**Span Calculations (continued)**

Was the MPC and span for Diluent monitor determined in accordance with part 75, appendix A, sections 2.1.3?			
Was the MPV and span for the flow monitor determined in accordance with part 75, appendix A, sections 2.1.4?			

**Review of Electronic Monitoring Plan**

	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Are the formulas (RT 520) consistent with the monitoring methodology?			
Do the formulas account for all the monitored emissions?			
Do the formulas account for all heat input?			
Were the MPC and spans entered correctly (RT 530) from the hardcopy calculations?			
Was the MER calculated and entered correctly?			
Were there errors in the MDC feedback?			
Were the defaults in the RT 531 determined in accordance with part 75?			

**Calibration gas levels**

	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Were calibration gas concentrations the correct percent of span for daily calibration checks?			
Was the low-level calibration gas concentration the correct percent of span for linearity checks?			
Was the mid-level calibration gas concentration the correct percent of span for linearity checks?			
Was the high-level calibration gas concentration the correct percent of span for linearity checks?			

**Test Protocol**

Is the notice acceptable?	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Are the test methods listed in §75.22?			

Reviewer	Agency	E-mail or Phone no.	Date

revised 10-10-01



# Certification Application

For more information, see instructions and refer to 40 CFR 75.63

This submission is for: ~ Initial Certification ~ Recertification

**STEP 1**  
Identify the source by  
plant name, State, and  
ORIS Code from NADB

Plant Name	State	ORIS Code
------------	-------	-----------

**STEP 2**  
Identify unit short  
name/common stack  
description and boiler  
ID#/common stack ID#

Unit Short Name/Common Stack Description	Boiler/Common Stack ID#
--	-------------------------

**STEP 3**  
Mark the appropriate  
box and fill in if  
necessary

~ Included is a copy of the monitoring plan ))))))) <  
~ No monitoring plan included

No. of pages

**STEP 4**  
Provide the requested  
information for the  
monitoring systems and  
for the test data that are  
being submitted

Use page 2 to provide  
information for additional  
units/common stacks at  
this source or for  
units/common stacks with  
more than 10 systems

MONITORING SYSTEMS			TEST DATA		
System ID#	Para- meter Monitored	Primary/ Backup	Testing Date(s) (mm/dd/yy-mm/dd/yy)	Number of Tests (Total)	Number of Failed Tests

**STEP 5**  
Complete the boxes

Included are test results for systems listed in Step 4 Table(s) ))))))) <

No. of pages

Included is DAHS verification test information ))))))) <

No. of pages

**STEP 6**  
Read the certification,  
enter the name of  
the designated  
representative, and  
sign and date

I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

Name	
Signature	Date



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## Appendix D

### Routine Operations of the NO<sub>x</sub> Budget Trading Program

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## **1.0 Current Program Status**

### **1.1 Permit Applications**

1.1.1 At the time of this writing in June 2003 the preparation for the start of the NO<sub>x</sub> Budget Trading program in Virginia is nearing completion. All permit applications for Group 1 sources (NO<sub>x</sub> Emission Sources operating before October 31, 2002) were received and processed by December 2002. Permit applications for the majority of Group 2 sources (NO<sub>x</sub> Emission Sources that will begin operations between November 1, 2002 and May 31, 2004) have been received.

1.1.2 Registration of the facilities and their Authorized Account Representatives with the Clean Air Market Division (CAMD) is on schedule. As of [March 15, 2004 a total of 41 affected facilities operating 148 emission units](#) have been registered and their trading accounts opened.

1.1.3 Between January 1<sup>st</sup> and May 1<sup>st</sup>, 2003, all Group 1 sources submitted their CEM certification protocols and Quality Assurance Monitoring Plans to CAMD and the VADEQ regional office that supervises them. All initial stack testing (when applicable) has been completed for the Group 1 sources (May 1, 2003) and the test results are currently being reviewed. CEM certification of these sources is expected to be complete by September 1, 2003. The addition of the NO<sub>x</sub> Budget Trading Program operating conditions to these facilities operating permits will be completed by May 31, 2004.

1.1.4 The schedule for certifying CEM and optional monitoring systems for Group 2 sources is more flexible. It is expected that air quality permits will be issued for all sources that begin operations before January 2004 by the start of the initial NO<sub>x</sub> Control Period. At a minimum, CEM application documents and QA Monitoring Plans should be received and emission stack testing scheduled for all Group 2 sources prior to May 31, 2004.

1.1.5 The due date for the first quarterly emission monitoring report for Group 1 sources is due by July 30, 2003. This report will cover the period from May 1, 2003 to June 30, 2003. The data will be considered provisionally certified until the formal VADEQ certification is completed.

1.1.6 For the majority of NO<sub>x</sub> Budget Sources located in Virginia permitting will be completed before the initial NO<sub>x</sub> Control Period begins in 2004. After this date the primary concern of the VADEQ will be the routine operation of the NO<sub>x</sub> Budget Trading Program.

## 2.0 VADEQ Responsibilities

### 2.1 Introduction

2.1.1 As described in the Permit Writer's Guide to the NO<sub>x</sub> Budget Trading Program and ASOP-11 on CEM Certification, the responsibilities for running the trading program has been divided between the VADEQ, CAMD, and the USEPA Region III. In general terms the division of these responsibilities is as follows:

- The quality assurance of the collected air emission data will be the responsibility of CAMD. CAMD will also supervise the allowance-trading program and will make the final determinations on whether individual facilities are in compliance with the program.
- In addition to permitting the facilities, the VADEQ's responsibility is to confirm that the information being electronically submitted to the CAMD internet site accurately reflects reality. This confirmation will be performed through the Department's supervision of the Quality Assurance program. ~~It also will be Virginia's responsibility to determine how the annual allotment of set-aside NO<sub>x</sub> allowances is to be divided between the new sources.~~ In November 2003 the process to revise the VAC regulations covering the set-aside allowances was begun. It is now the intention of the VADEQ to auction these allowances rather than allot them to new sources. As of March 2004, the procedures and schedule for the initial auction have not been finalized. <sup>1</sup>
- Region III primary responsibility will be to conduct oversight of the permitting activities of the VADEQ.

## 3.0 Future Permitting Activities

### 3.1 New Installations

3.1.1 The issuing of new permits after May 2004 will be infrequent. While there has been a peak in the number of new construction permit applications for electric generation facilities over the past three to four years, there are no further applications expected in the foreseeable future. The installation of the very large fuel combustion sources that fall under the NO<sub>x</sub> SIP Call will not occur on a routine basis.

3.1.2 The steps required to permit these occasional new sources will be identical to the process described in the guidance document and does not need to be repeated in detail here. Important permitting schedule events that should be noted:

- Permit applications for the NO<sub>x</sub> Budget Trading Program are due 18-months prior to the commencement of operations. The emission sources must have their federally enforceable operating permit in place at the start of operations. Therefore, the timing for issuing a new permit should be carefully considered.

---

<sup>1</sup> The VADEQ will also be responsible for setting a new statewide NO<sub>x</sub> cap for the period 2009 through 2013 by April 2006. The procedure for developing this new value and the division of allowances between emission units will be determined at a later date.

- The submission of CEM certification application (or protocol) and the QA Monitoring Plan should be scheduled before the start of operations for new sources when ever possible. At a minimum the submission of these documents and completion of the stack testing must be completed within 90 days of the start of operations for EGUs, and 180 days for non-EGUs
- The certification of the CEM must be completed by the VADEQ within 120 days of the stack testing event.

### **3.2 Permit Modifications**

3.2.1 Modifications to NO<sub>x</sub> Budget Trading Permits will fall into one of two categories: Administrative Changes, and Operational Changes.

3.2.2 The most common administrative change that can be expected to affect these permits from time to time will be changes in personnel, primarily the replacement of the Authorized Account Representative (AAR) and/or their alternate by the owner. Under Virginia citations this change in personnel will be considered an Administrative Change and will not require the existing permit be reopened.

3.2.3 It is the company's responsibility to inform CAMD and VADEQ of the changes affecting the AAR status within 30-day calendar days. The company will resubmit the trading account application documents, namely the General Account Information form, and the Account Certificate of Representation form. The signed originals of these documents will be submitted to the USEPA's CAMD. The regional office of the VADEQ in charge of the facility will received copies. The VADEQ will send a notice to the owner within 10 business days that they have received the documentation.

3.2.4 While the original permit application for the NO<sub>x</sub> Budget Trading Permit was signed by a previous AAR, there is no requirement for the facility to resubmit the form due to this alteration in staff. There is no regulatory need to issue a public notice for this situation.

3.2.5 It is possible that the company will change its name or be purchased by the third party over the lifetime of the permit. In this case all three application documents will have to be completed. Both the VADEQ and CAMD will receive copies of the documents.

3.2.6 The decision to reopen the permit in this situation will be made on a case-by-case basis. For simple changes in the company's name and organization the alteration will be considered a minor modification and will not require public notice. If the purchase of the facility will not result in a change in the operations or the air emissions at the facility this will also be considered a minor modification.

3.2.7 Operational changes that could occur include the installation of new emission equipment meeting the NO<sub>x</sub> SIP Call definition and the retirement of existing permitted units.

3.2.8 The installation of new units that fall under the NO<sub>x</sub> SIP Call will require that the permit be reopened for public review due to the change in facility wide air emissions. In addition to the standard operating permit application documents and supporting material needed, the owner will have to resubmit the General Account form, the Certification of

Representation form, and the NO<sub>x</sub> Budget Permit application to account for the new equipment. Unless the permit writer agrees to a shorter time frame, the NO<sub>x</sub> Budget related applications will be submitted 18-months prior to the commencement of operations.

3.2.9 After acknowledging receipt of the application document, the reissuing of the NO<sub>x</sub> Budget Permit will follow the same procedures as for the initial permit.

3.2.10 The retirement procedure for an existing NO<sub>x</sub> Budget Unit is very simple. The AAR will complete one Retired Unit Exemption form for each fuel combustion unit they plan to take off line. The originals of these forms will be submitted to CAMD. Copies will be submitted to the VADEQ regional office and this office will issue a notice of receipt to the facility.

3.2.11 After confirming the receipt of the Retired Unit Exemption form, the VADEQ will not have to take further action. The operating permit does not have to be modified to take into account the shutting down of these units for the NO<sub>x</sub> SIP Call until the federally enforcement permit itself is due for renewal. .

3.2.12 A copy of the retirement form will be forwarded to the Planning Section located at Central Office. This information about the reduction of NO<sub>x</sub> emissions may effect the distribution of NO<sub>x</sub> allowances for the following year's control period.

### **3.3 Permit Renewals**

3.3.1 As described in the permit writer's guide, the NO<sub>x</sub> Budget Trading Permit will be a set of conditions within the facility's operating permit rather than a stand-alone document. As provided for in federal and state law, the "trading permit" does not have to be renewed. However the operating permit that it will be a part of will be renewed at least every five years.

3.3.2 It will be left to the discretion of the permit writer to decide what NO<sub>x</sub> Budget Trading related permit applications or documentation (if any) will be required from the facility at the time of its federally enforceable operating permit renewal.

## **4.0 Quality Assurance Responsibilities**

### **4.1 Data Quality Assurance**

4.1.1 Since the initial publishing of the Permit Writer's Guide to the NO<sub>x</sub> Budget Trading Program there has been a significant change in the quality assurance responsibilities for the CEM data that will be produced by this program. Previously, copies of the quarterly reports were to be sent to both the VADEQ and CAMD. These reports would include all of the recorded data for all of the sensors for that period. Working separately, both agencies would review the raw data for quality and completeness. This is no longer the case.

4.1.2 All data sent to CAMD must be submitted as an electronic file using the Electronic Data Report (EDR) format. Using Monitoring Data Checking (MDC) software developed for the USEPA, representatives of CAMD will perform the quality assurance audit of the data. Only data that has been checked by CAMD will be accepted as a basis for NO<sub>x</sub> allowance trading.

4.1.3 Based on this requirement it has been decided that it would be redundant to require the VADEQ regional offices perform QA auditing of the data. The requirement that the VADEQ regional offices review hard copies of the quarterly and annual reports has been dropped.

## **4.2 CEM QA/QC Procedures**

4.2.1 A full description of the routine QA/QC procedures required by the NO<sub>x</sub> Budget Trading Program and the VADEQ's responsibilities to supervise them are provided in ASOP – 11. Please refer to this document.

## **5.0 ~~Annual NO<sub>x</sub> Allowance Allotments~~**

### **5.1 ~~Allotment Requests~~**

~~5.1.1 The annual NO<sub>x</sub> budget for Virginia has been initially set at just over twenty-one thousand tons. Of this amount 1,855 tons have been reserved or "set-aside" for new sources installed after May 1998. New Sources will be required to apply for NO<sub>x</sub> Allowance allotments on an annual basis. These allotment requests will be submitted to the VADEQ Central office in November of each year.~~

~~5.1.2 After receiving the allotment requests from all new sources located in Virginia, the Central office will have approximately 60 days (February 1<sup>st</sup> of the following year) to determine how the available allowances will be divided between the emission sources. The procedures for this determination have not been finalized at this time.~~

~~5.1.3 After determining how the set-aside allowances will be divided between the sources, the Central Office will provide written conformation to each of the New Sources of their allotment for the next control period. Copies of these notices will be provided to CAMD and USEPA Region III for their files. (Invalid, March 24, 2004)~~

## **6.0 Potential Non-Routine Activities**

### **6.1 Closing of a facility**

6.1.1 The USEPA reserves the right to close a trading account that has not been used for more than one year and does not contain any allowances. However, a formal procedure for closing trading allowance accounts for facilities that are shutting down their activities has not developed at this time.

6.1.2 It will be the facility's responsibility to contact the VADEQ and CAMD prior to the closing of their facility. The notice may or may not include Retirement Exemption forms for each of the units with an allowance account. If the emission source is still operating during a NO<sub>x</sub> Budget Control period it will still be held accountable for emissions and must hold allowances to match those emissions.

6.1.3 The potential difficulty is that it has not been decided yet how the closing of permitted facility will affect the issuing of NO<sub>x</sub> allowances by the VADEQ Central office. There will be little impact from the closing of a "New Source" since they were required to request allowances from the side aside balance from year to year. But for sources operating before May 1998 and provided with a fixed NO<sub>x</sub> allowance the situation is more fluid. Options include transferring these allowances to the set aside portion of the

state's budget, removing these allowances permanently from trading by the VADEQ, or a combination of both.

## **6.2 Permit violations**

6.2.1 Authority to issue notices of violations and penalties have been given to both the USEPA and the VADEQ. The USEPA will primarily be concerned with violations involving the trading account balances. If CAMD determines that an emission unit does not have the allowances to balance their Control Period emissions by November of each year, they will be considered to be in non-compliance. CAMD will not normally issue a fine as a dollar amount. Each ton of NO<sub>x</sub> emission that a source is overdrawn will be consider a separate violation. For each violation the facility will be required to purchase three tons of allowances the following year.

6.2.2 The VADEQ's compliance concerns will concentrate on permitting and monitoring data quality assurance issues. In other words; "Does the emission source have an operating permit meeting the requirements of the NO<sub>x</sub> Budget Trading Program and is the source meeting the permit conditions?" A standard for setting penalties for violations of this program has not been finalized by the VADEQ at this time.